STATE OF RHODE	ISLAND
PROVIDENCE, SC.	SUPERIOR COURT
STATE OF RHODE ISLAND)
))
V.)C.A.NO. PC-2024-04526)
AECOM TECHNICAL SERVICES, INC., AETNA BRIDGE COMPANY, ARIES SUPPORT SERVICES, INC. BARLETTA/AETNA I-195 WASHINGTON BRIDGE NORTH PHASE 2 JV, COLLINS ENGINEERS, INC., COMMONWEALTH ENGINEERS & CONSULTANTS, INC., JACOBS ENGINEERING GROUP, INC. MICHAEL BAKER INTERNATIONAL, INC PRIME AE GROUP, INC., STEERE ENGINEERING, INC., TRANSYSTEMS CORPORATION, and VANASSE HANGEN BRUSTLIN, INC.	
HEARD BEF	ORE
THE HONORABLE BRIAN P. STERI	N, ASSOCIATE JUSTICE,
ON JANUARY 21	L, 2025
(APPEARANCES LISTED ON NEXT PAGE	2)
<u>,</u>	- <u>-</u>
GINA GIANFRANCES COURT REPOR	

APPEARANCES:

FOR THE STATE:

STEPHEN PROVAZZA, ESQUIRE	.FOR	THE	STATE
MICHAEL ROBINSON, ESQUIRE	.FOR	THE	STATE
THEODORE LEOPOLD, ESQUIRE	.FOR	THE	STATE
DIANA MARTIN, ESQUIRE	.FOR	THE	STATE
LESLIE KROEGER, ESQUIRE	.FOR	THE	STATE
ADNAN TORIC, ESQUIRE	.FOR	THE	STATE
JONATHAN SAVAGE, ESQUIRE	.FOR	THE	STATE
EDWARD PARE, ESQUIRE	.FOR	THE	STATE
ALYSSA LEMIRE, ESQUIRE	.FOR	THE	STATE

FOR THE DEFENDANTS:

LAWRENCE PROSEN, ESQUIRE	
JEFFREY BLEASE, ESQUIRE	.FOR BARLETTA AND THE JOINT VENTURE
	THE JOINT VENTURE
JACKSON PARMENTER, ESQUIRE SUSAN SILVA, ESQUIRE	
CATHERINE KENNEY, ESQUIRE	
JAMES D'AMBRA, ESQUIRE	
WARREN HUTCHINSON, ESQUIRE	
JOHN KELLEHER, ESQUIRE	
CHRISTOPHER WHITNEY, ESQUIRE	.FOR MICHAEL BAKER INTERNATIONAL
JOHN BLESSINGTON, ESQUIRE	.FOR JACOBS ENGINEERING
MICHAEL FILBIN, ESQUIRE	.FOR JACOBS ENGINEERING
BRIAN NEWBERRY, ESQUIRE	.FOR VANESSE HANGEN BRUSTLIN
SAMUEL COTE, ESQUIRE	

CERTIFICATION

I, Gina Gianfrancesco Gomes, hereby certify that the succeeding pages 1 through 127, inclusive, are a true and accurate transcript of my stenographic notes.

> GINA GIANFRANCESCO GOMES COURT REPORTER

1	TUESDAY, JANUARY 21, 2025
2	MORNING SESSION
3	THE COURT: Good morning. Madam Clerk, if you would
4	please call the case.
5	THE CLERK: Your Honor, the matter before the Court
6	is Case Number PC-2024-04526, State of Rhode Island v.
7	AECOM Technical Services, Inc., et al. This is on for
8	multiple motions to dismiss. Would counsel please
9	identify themselves for the record.
10	MR. PROVAZZA: Good morning, your Honor. Assistant
11	Attorney General, Stephen Provazza on behalf of the State
12	of Rhode Island.
13	MR. ROBINSON: Good morning, your Honor. Michael
14	Robinson for the State of Rhode Island.
15	MR. LEOPOLD: Good morning, your Honor. Ted Leopold
16	on behalf of the State.
17	MR. PROSEN: Good morning, your Honor. Lawrence
18	Prosen, Cozen O'Connor, on behalf of AECOM Technical
19	Services in light of the pro hac vice counsel, Ms.
20	Prosek.
21	THE COURT: Very good. Good morning.
22	MR. BLEASE: Good morning, your Honor. My name is
23	Jeff Blease. I'm a partner with Foley & Lardner. I
24	represent the Joint Venture, Barletta, and also Barletta
25	Heavy Division, Inc. With me also is my associate Chris

1	Mellado, who, with the Court's permission, will argue
2	point number three when the time comes.
3	THE COURT: Thank you. That's fine.
4	MR. PARMENTER: Good morning, your Honor. Jackson
5	Parmenter on behalf of Aetna Bridge and the Joint
6	Venture.
7	THE COURT: Very good. Go right ahead, counsel,
8	please.
9	MS. SILVA: Good morning, your Honor. Susan Silva
10	on before of Commonwealth Engineers. This is my
11	co-counsel Catherine Kenney.
12	THE COURT: Thank you.
13	MS. KENNEY: Good morning.
14	MS. MARTIN: Good morning, your Honor. Diana Martin
15	from the State of Florida.
16	MS. KROEGER: On behalf of the State of Rhode
17	Island, Leslie Kroeger.
18	MR. TORIC: Adnan Toric from Cohen Milstein on
19	behalf of the State of Rhode Island.
20	MR. SAVAGE: Jonathan Savage on behalf of the State
21	of Rhode Island.
22	MR. D'AMBRA: Jim D'Ambra on behalf of TranSystems
23	Corporation.
24	MR. HUTCHINSON: Good morning, your Honor. Warren
25	Hutchinson on behalf of Steere Engineering.

1 MR. KELLEHER: Good morning, your Honor. John 2 Kelleher on behalf of the Aires Support Services. 3 MR. WHITNEY: Your Honor, Christopher Whitney on 4 behalf of Michael Baker International. 5 MR. BLESSINGTON: Good morning, your Honor. John 6 Blessington on behalf of Jacobs Engineering and with me 7 is Michael Filbin. 8 MR. NEWBERRY: Good morning, your Honor. Brian 9 Newberry on behalf of Vanesse Hangen Brustlin. 10 MR. COTE: Good morning, your Honor. Samuel Cote 11 for Prime A.E. 12 THE COURT: Anyone else? 13 MR. PARE: Good morning. Edward Pare on behalf of 14 the State of Rhode Island. 15 MS. LEMIRE: Good morning, your Honor. Alyssa 16 Lemire on behalf of the State of Rhode Island. 17 THE COURT: Okay. Very good. First of all, the 18 Court received earlier this morning an e-mail from 19 Attorney Jeff Pine who is currently on trial upstairs 20 before Judge Krause and the Court has waived his 21 appearance for today. 2.2 We're here today for a number of Motions to Dismiss 23 that were filed, Motion for Judgment on the Pleadings, 24 and Motion for More Definite Statement. As everyone is 25 aware, the Court on the Motion to Dismiss and the Motion

1 for Judgment on the Pleadings must accept the allegations 2 or the well-pled allegations as true. Prior to the 3 hearing itself, the Court communicated with the parties 4 because there has been a lot of ink spilled over these 5 motions in terms of what would be best for the Court to 6 hear arguments in the case itself. And the Court will be 7 hearing first arguments related to the negligence counts 8 and arguments related to breach of contract, then 9 arguments related to the contractural indemnity, 10 noncontractual and contribution, the declaratory judgment 11 counts, and arguments related to breach of fiduciary 12 duty. The Court has also advised the parties in terms of 13 the order at least with respect to two of the defendants 14 and the Defendants have met and conferred and provided a 15 Court with a list of the others.

Before we get to the negligence count, there is one thing that seemed to come out in a lot of the papers, which is kind of what set of glasses the Court should use when looking at this in terms of what is the standard. It's fine to do it in the same order either starting with AECOM or Barletta. But I would like to hear what the position is in terms of standing the Court should apply.

What I would just ask, because the court reporter has a very difficult job, if you're addressing the Court, if you can just do it from the lectern. So whoever is

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going to proceed first on that issue may address the Court.

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Lawrence Prosek for AECOM. 3 MR. PROSEK: Good 4 morning, your Honor, may it please the Court. Your 5 question jumps right into where my initial discussion is 6 going to be. Your Honor is correct that the standard of 7 review is you must look to the four corners of the 8 pleading. I notice the graphics over there, which we 9 were not aware of before today, which has some argument 10 in them and some additional facts, which were not set 11 forth in the original complaint that was before the Court 12 and that is part of the problem we have here. If we do a 13 side-by-side comparison to the complaint to the 14 opposition, I'll call it a synonymous opposition that the 15 State filed, if it's all right with the Court, I'll point 16 to the opposition. There are references in that document 17 to the complaint, paragraph X, paragraph Y. However, 18 there are numerous instances where the complaint is not 19 cited where additional facts, new facts --

THE COURT: I guess, counsel, we'll get into that in a second. My question is more there is a lot of talk in some of the Defendant's papers about the plausibility standard in *Twombly and Iqbal* and the State responds to that and the Court has addressed that in the *CharterCare* case. What is your client's position in terms of what's kind of the overlay of all this? What should the Court be applying?

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3 Sure, your Honor. So the Court should MR. PROSEN: 4 be looking to the four corners of the complaint and the 5 Court, obviously, as your Honor has recognized, has to 6 take the facts as well pled in the light most favorable 7 to the non-movant in this case, not all the Defendants in 8 this case, the Plaintiff, the State. But as the Court 9 has ruled in Rhode Island Recycled Materials v. Conway, 10 884 A.2d 406, 2005, Rhode Island Supreme Court case, the 11 mere recitation of an essential fact and without more 12 factual allegations, to quote the Court, misses the boat. 13 What you've got here is --

THE COURT: I'm sorry. But am I using a plausibility standard or am I using something less?

16 MR. PROSEN: Well, the standard is the Court will 17 look in our favor from the standpoint of beyond a 18 preponderance of the evidence, beyond a reasonable doubt 19 is what the Court would look to. In this case we argue 20 that, in fact, that is the case that even looking at the 21 four corners -- in the four corners of the complaint, you 2.2 don't have any citation in the case, for example, of 23 breach of contract case. There is no citation of any of 24 the provisions of any of the contracts. There's not even 25 exhibits attached that the Court can look to as part of

the four corners to determine whether or not any of the provisions in there are applicable to the particular circumstance.

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THE COURT: But overall, am I looking to make sure that there is a plausible claim or am I just making sure that there's fair notice?

7 MR. PROSEN: Well, it's a notice standard. We 8 recognize that, your Honor. Obviously, the Rhode Island 9 rules and the federal rules are very similar. It's 10 notice, but notice is not simply -- to use a simple, 11 there was a contract. There was a breach. There were 12 damages. It's got to be more than that. You have to 13 give the Defendants the opportunity to be able to respond 14 and you can't do that in this case. And interestingly 15 enough, we've heard a lot of defendants showed up today. 16 There's 13 of them. The whole complaint is about 42 17 pages long. That averages about three and a half pages 18 dedicated, if you look abstractly, to each of the 19 defendants. There's no way that -- we're not sure, and 20 as your Honor saw in our motion for more definite 21 statement attached, you sent us what contracts are you 2.2 talking about? What provisions are you talking about? 23 It is not possible at this point in time and not getting 24 even into the fact that we don't think that the counts 25 and the facts were sufficiently pled in this case. It's

not possible for any of the Defendants to respond to 1 2 this. It's a notice pleading standard but notice is not 3 we had a contract, there was a breach, or the party had 4 some sort of in the case of negligence that there was 5 conduct and the conduct was --6 THE COURT: And I completely understand that when we 7 get into these counts, there's going to be a discussion 8 about whether the notice pleading was adequate or not. Ι 9 quess my question is really we have a very different 10 standard arguably under *Twombly and Iqbal* if we were in 11 federal court. 12 MR. PROSEN: Yes. 13 THE COURT: And I just want to see whether it's your 14 client or any of the other defendants' position that what 15 this Court should be applying is the Trombly and Iqbal 16 standard instead of a notice pleading, which we're going 17 to have plenty discussion about. 18 MR. PROSEN: Yes, your Honor, it is a notice 19 pleading standard. 20 Thank you very much. Does the Joint THE COURT: 21 Venture which to be heard? 2.2 Thank you, your Honor. MR. BLEASE: 23 THE COURT: Good morning. 24 MR. BLEASE: Good morning, your Honor. Jeff Blease 25 from Foley & Lardner on behalf of Barletta Aetna Joint

Venture. I think the standard is correct. Counsel 1 2 stated, obviously, we accept the facts in the complaint 3 I think the rub becomes when those facts are as true. 4 inconsistent with the contract documents, what do we do? 5 And our position in the papers, obviously, it's 6 dismissed, right? So whether that's a plausibility 7 standard from federal court, which we didn't brief and it 8 wasn't part of our argument, I would address it simply as 9 inconsistent with the allegations in the contract that 10 are included in the complaint and it can't be cured by 11 amendment because it's inconsistent. 12 Thank you very much. THE COURT: 13 MR. BLEASE: Thank you. 14 THE COURT: Would any of the other defendants like 15 to be heard on this issue? Thank you. Does the 16 Plaintiff's counsel wish to be heard on this issue? 17 MR. PROVAZZA: Your Honor, Stephen Provazza on 18 behalf of the State of Rhode Island. I'll be very brief. 19 It's Black Letter Law in Rhode Island that our notice 20 pleading standard provides a conceivability standard by 21 the plausibility standard, and the Rhode Island Supreme 2.2 Court ruled again last week in the CVS Securities case 23 that a motion to dismiss survives if the Plaintiff can 24 proceed under Rule 16 under any conceivable set of facts. 25 The CVS class action, unfortunately, THE COURT:

1	I've lived for five years. It's finally done.
2	MR. PROVAZZA: I'm glad we could bring it up again,
3	your Honor.
4	THE COURT: Okay. Thank you. I appreciate that. I
5	wanted to get that out of the way. Why don't we begin
6	with the argument related to the negligence counts,
7	including the Economic Loss Doctrine.
8	MR. PROSEN: Your Honor, again. Lawrence Prosen for
9	AECOM. If that's alright, I'll say AECOM.
10	THE COURT: Perfect.
11	MR. PROSEN: To try to help Madam Reporter as much
12	as possible. Your Honor, may it please the Court, I
13	would like to start with a little bit of background as to
14	sort of how we got here. In dealing with the negligence
15	count, the background is pretty important. And the way
16	we look at this, your Honor, is AECOM is a government
17	contractor like most of the other defendants or
18	subcontractors depending on the circumstances. They
19	perform to a contract that is drafted and established and
20	awarded by the State in this case, Rhode Island
21	Department of Transportation. They set the rules.
22	And interestingly enough and critical here is from
23	the four corners of the complaint. You can read the fact
24	that what AECOM did was they did some design work, they
25	did some inspection work per the scope of work, which are

not before the Court because the complaints aren't there 1 2 and there is no allegations with regard to that, 3 including inspecting. I've got a picture over there of 4 the bridge. I assume everyone here has driven over. 5 I've walked across it. I have not had the pleasure of 6 personally driving over it, but certainly I've become 7 quite familiar with it. And, your Honor, what is not 8 pled in the complaint and it's because it can't be is 9 AECOM did not design the bridge. They did not perform 10 any construction work on the bridge. They didn't 11 maintain the bridge. They didn't do any sort of repair 12 work to the bridge. They had very limited scope. Their 13 touching the bridge is limited to visual inspections. 14 They were not hired by the State.

15 Again, there is no allegations in the complaint to 16 do any sort of forensic or what we call destructive 17 testing, cutting out concrete, seeing what's in the 18 concrete, or doing other work. The State had that 19 They could have said AECOM under this contract option. 20 we want you to do X, Y, or Z constructive testing. That 21 didn't happen. As the State has acknowledged in their 2.2 complaint, we did visual inspections of the bridge, along 23 with other Defendants in this case, visual inspections. 24 The allegations deal with, amongst other things, stuff 25 that was happening inside the concrete that you would

need either an x-ray machine or what is called ground penetrating radar and that never happened. As a result of that, your Honor, you can't hold someone responsible for something that they have no involvement with. And the State, by the way, would have this Court believe, and for that matter, the public believe that it is pure as the driven snow. It had no obligation to do anything. We got these inspection reports, as they allege in their complaint, and supposedly the AECOM Defendants didn't say anything about the degradation of the bridge or its condition.

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12 A review of the facts and the non-argument of the 13 timeline reveals that on multiple occasions the State 14 received the reports, and, interestingly enough, what 15 they didn't say in there is we deny the reports, we 16 reject the reports, which all said that the bridge 17 condition, and not just by AECOM, but Jacobs and other 18 defendants, were in poor condition. Poor condition is 19 the lowest standard from the Federal Highway 20 Administration. Having walked the bridge, it's 21 abundantly obvious the bridge needed repair and the State 2.2 knew that, by the way. As they allege in their complaint 23 they hired a concrete company to do some preliminary 24 design work. They hired the Joint Venture to do some 25 other work. There was a contract in the mid 20 teens

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that they were going to do some repair work. As their own timeline said, it would impact the traffic too much and they terminated that contract for their convenience.

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That's all fine and dandy, but to think that the State just shows up -- and, by the way, this bridge, as your Honor knows, is less than a mile from RIDOT headquarters. Anyone that drives over the bridge, anyone that looks at the bridge, they were the only party that was actually in place to regularly look at the bridge and maintain it. They were responsibile to maintain it. It was the State over many years that could have and did not take the action to repair this bridge.

13 As critically, the State would have the Court and 14 the public believe that somehow the company that does 15 inspections or preliminary design work is now somehow in 16 the book to replace a bridge completely, whatever that 17 cost is. We've heard different numbers. That's not in 18 the record before the Court. There certainly have been 19 plenty of press conferences and the like. A design 20 contract does not extend one's liability from here are 21 some drawings, or nowadays they call them computed aid 2.2 drafts, CAD drawings, which are electronic drawings to, 23 hey, we get a whole new bridge out of this thing. So I 24 think it's important with that context that we kind of 25 jump into this.

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Before the Court are a whole bunch of motions and a whole bunch of actions. With regard to AECOM, we're dealing with the motion to dismiss Counts I, II, IV, V, X and then XVII to XX, the declaratory judgment counts. And, with regard specifically to the negligence -- and, your Honor, I can get more into the standard of review, if you want me to. It sounds like your Honor certainly knows what they are. I'm happy to address those. No problem. The negligence count -- by the way, our motion 10 to dismiss we also think extends to the contractural and 11 common law indemnity actions to the extent the Court is 12 prepared to take that into consideration.

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13 THE COURT: And we will. I'm just going to leave 14 that.

15 I just wanted, not to be overly MR. PROSEN: 16 repetitive, but to be able to address it now. We think 17 the negligence count as a preliminary matter is purely 18 duplicative of a breach of contract case. We think that 19 as a result of that they rely on the same operative 20 Whatever the damages we don't really know from facts. 21 the four corners of the complaint. Those are also 2.2 identical, likewise the bases for those two arguments for 23 the counts are the same.

24 As your Honor has read numerous times now, because I 25 know I certainly have read it, the Economic Loss Doctrine

are important documents. I recognize in this state as 1 2 well as some of the other states they start off in application with regard to specific construction out of 3 4 Washington State and it has spread across the country, 5 Ohio, Illinois, my home state of Maryland, Pennsylvania. 6 They all recognized it. And what that doctrine holds is 7 a party cannot recover in a tort theory, including 8 negligence, where a contract exists, and you haven't seen 9 the contract. You haven't seen any allegations or the 10 provisions in them. But it's undisputed there was at 11 least one contract. In the case of AECOM there was a 12 couple of them, and only economic damages are claimed and 13 there is no damage to person or property. That damage to 14 person or property is important. It has to be other than 15 the project itself, your Honor.

16 And that's Hexagon Holdings v. Carlisle Syntec, 199 17 A.3d 1035. And, specifically, that case also said at 18 page 1042, "Where there are damages in the construction 19 context between commercial entities" -- and, your Honor, 20 the State has an argument on sovereignty that I'll get 21 Their contract is barred. They've waived into. 2.2 sovereign immunity through the code, through the proper 23 Rhode Island code. It's a government contract, but 24 there's two commercial parties here, two sophisticated 25 commercial parties here, which we'll get into a little

1	more about that as well. But, "The Economic Loss
2	Doctrine will bar any tort claims for purely economic
3	damages."
4	Now, the concern in the doctrine, again, I don't
5	know how far you want me to get into the history of the
6	Economic Loss Doctrine.
7	THE COURT: I've read it and I think the best quote
8	I read was from California to the U.S. Supreme Court, the
9	breach of contract being swallowed up in tort.
10	MR. PROSEN: Thank you very much. You beat me to
11	one of my citations, your Honor, and also recognition
12	that sophisticated commercial parties and I would be
13	surprised the State argues it's not a sophisticated
14	commercial party in this case. They have their own
15	architects, they have their own engineers, they have
16	their own construction professionals, they have their own
17	lawyers. They certainly have everything that any
18	traditional, if you will, private business entity would
19	have in order to negotiate a contract.
20	And, again, looking at the scope of work that we
21	had, we didn't do the construction. We didn't do
22	maintenance. We didn't do repair. We didn't do any sort
23	of physical work other than walking the bridge, taking
24	some measurements. Your Honor has seen on some of the

other pleadings some of the inspection reports,

photographs. It was a visual inspection for the most 1 2 part. As critical in this case, your Honor, the damages 3 claims, again, whatever they may be, in both the 4 opposition and in the complaint itself most critically, 5 they are unspecified, but there is no claim that the 6 bridge has caused any damage to any third parties as much 7 as the declaratory judgment side of our argument. 8 There's no claims, and, in fact, in the opposition the 9 State recognizes that no third parties have alleged any 10 physical damage to persons or property that was caused, 11 you know, something fell, God forbid, and hit somebody, 12 whatever the case maybe. The Economic Loss Doctrine 13 falls squarely right where we're supposed to be here and 14 it's intended to allow the parties to contract freely as 15 your Honor recognized.

16 THE COURT: So just saying property damage isn't17 enough?

18 MR. PROSEN: Property damage no, it's not enough. 19 What kind of property damage? To who? To what? And 20 some of the cases that the State cites to try to get 21 around the Economic Loss Doctrine are based on very 22 limited exceptions, which this State has not recognized 23 I'll add, by the way, and/or creative interpretations of 24 how those cases were decided. There is no allegation 25 that anything -- that anybody else caused damage. And

there is case law out there.

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There is American Towers Owners Association v. CCI 2 3 Mechanical. It's a Utah case, 1996, 930 P.2d 1182, and 4 that case talked about a condominium being built, the 5 entire condominium. So you've got mechanical, 6 electrical, plumbing, maybe woodwork, I don't know, 7 whatever the case may be. In that case there were 8 mechanical defects, and this gets into the whole issue of 9 the bridge -- the damage to be something other than the bridge itself. And in that case the condo association 10 11 had argued and alleged that the property -- sued on 12 negligence because there were issues to the plumbing and 13 the mechanical, the air conditioning system. And that 14 court ruled that the argument failed that the Economic 15 Loss Doctrine was noncontrolling or not applicable 16 because the property in that case included all the 17 components that went into the building. So not just in 18 that case the plumbing and mechanical system, but the 19 roofing, the flooring, the door locks, the hinges, 20 everything else about that.

And in that American Towers case, and this will get into some of the other case law that the State relies on, that case also talked about an exception for a sudden calamitous event or some danger that was alleged. That hasn't happened here. The State has said this bridge could collapse. The State has said it's possible that someone will sue us in the future. The State shut the bridge down of their own volition before any of that happened. So right now what we've got is a situation where we've got -- the only damage that's alleged that we can glean from the complaint is physical and economic that these different variations of that as you read in the opposition is limited to the bridge itself, and the Economic Loss Doctrine says you can't assume negligence. You can't do it.

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With regard to the sovereign side of the argument, your Honor, they claim that the Economic Loss Doctrine does not apply to sovereign, and they don't cite to any case law that actually says that. They do cite to some other cases, the first of which is a Pennsylvania case that talks in the doctrine in a little bit of Latin. Sorry for that, Court Reporter. Parens patriae.

18 THE COURT: Is that the one that's more a standing 19 issue?

20 MR. PROSEN: You got it, your Honor. That is a 21 standing issue. It doesn't get into the Economic Loss 22 Doctrine directly, and they're predominantly 23 environmental tort type cases, large scale, where we see 24 this standing issue basically enacting the governmental 25 quasi sovereign type of scenario. So, yes, your Honor, that does deal with that. In *State v. Lead Industry Association* before this court's Judge Silverstein talked about that doctrine being narrowly construed and does not apply to the State, quote, "conducting a business venture." This is a business venture here. This is not a situation where, I don't know, one of the defendants is alleged to have dumped lead paint or, God forbid, some sort of other environmental disaster. Again, citing to Rhode Island Statute Section 37-13.1-1, the State waives sovereign immunity. They can sue and be sued under contract as commercial parties.

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12 The cases cited that they rely on the Pennsylvania 13 case and the Maryland case actually support the 14 proposition that they're talking about. In Commonwealth 15 v. Monsanto, which is the Pennsylvania case that they 16 cite to. For the record, that's 269 A.3d 623. That was 17 the PCB case going back some years where Monsanto was the 18 chemical manufacturer that made that chemical and was 19 sued in that quise. There was a limited exception in that case that the court recognized to the enforceability 20 of the Economic Loss Doctrine, and that said that where 21 2.2 there is a duty independent of the contract, some other 23 duty, whatever it is, it's outside the contract, then 24 there may be a cause of action that allowed survival of 25 the Economic Loss Doctrine. Rhode Island, to the best of

my ability reading cases, are not about that limited exception and, frankly, it doesn't apply here. We have a contract. All the allegations are within the four corners of that contract. Again, in that case there were allegations of damage to other people's property. Potentially physical damage to, you know, personal injury as a result of PCBs and so we don't have that here so that case is distinguishable.

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9 Now, Morris v. Osmose Wood Preserving, 667 A.2d 624, 10 which is a '95 case under what was then known as the 11 Maryland Court of Appeals with a recent constitutional 12 amendment, which I did vote for. It's out of the Supreme 13 Court of Maryland. That case involved special -- well, 14 plywood that had a fire protective treatment that was 15 applied to roofs. It was used predominantly in 16 residential construction. I can actually remember when 17 these cases were coming about. In that case a group of 18 plaintiffs, homeowners, sued this company, Osmose Wood 19 Preservation, saying that in both contract and they sued 20 in negligence. In the negligence cause of action they 21 allege, amongst other things, that it was possible, and 2.2 I'm paraphrasing, sometime in the future that either 23 someone would walk across the roof and because of the 24 degradation of the plywood underneath the roofing 25 material someone could fall through or a storm could come

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and rip the roof off and cause damage.

2 The Court in Maryland, there is a case called, Condo 3 Association v. Whiting Turner. There is a limited 4 expectation that I'm sure you'll hear about from the 5 State where it says that, "If there is serious 6 possibility of risk, the risk must be imminent and rise 7 to a level of risk of death or personal injury." That's 8 discussed at page 532 of that decision. Interestingly, 9 the court went on and said, "It's the serious nature of 10 the risk that persuades us to recognize the cause of 11 action in the absence of actual risk. Accordingly, 12 conditions that present a risk of general health, wealth, 13 or comfort, but fall short of presenting a clear danger 14 of death or personal injury will not suffice." That is 15 page 532, and again it's citing the Whiting Turner 16 decision. In that particular case the court found that 17 while there are allegations of potential future damage, 18 which we have here, by the way, that did not rise to the 19 level of that limited exception. By the way, I'm not 20 aware of any decision in this state that this state has 21 recognized that limited exception.

2.2 THE COURT: We're probably one of the most liberal 23 states in terms of exceptions exempting all consumers, 24 and I think the case you mentioned was more of a consumer 25 issue.

MR. PROSEN: And, again, your Honor, you're 1 2 clairvoyant. Yes, I was going there next. It's a consumer decision, which gets into the fact, again, we've 3 4 got two sophisticated -- well, on each side of the V, 5 sophisticated parties on both sides of the V. I know my 6 client is sophisticated. Again, I think the State is 7 more than sophisticated given the amount of 8 infrastructure, bridges, highways, and the like that they 9 operate and they're supposed to maintain. Interestingly, 10 in that Maryland case, I think Cohen Milstein was also 11 counsel of record in that decision, so it's a small world 12 after all, I quess.

13 On a related note, your Honor, I just want to close 14 out with citing some cases. There are a number of 15 instances where the courts, I haven't found one in this 16 state, but Illinois, Ohio, held that sovereign, in this 17 case the City of Chicago and City of Cleveland to the 18 letter of the law on the Economic Loss Doctrine, that 19 they cannot claim negligence where there is an existing 20 contract on facts much more similar than the cases the 21 State cites. That's the City of Chicago v. Beretta, 213 2.2 Ill. 2d 351. It's a 2004 decision. And then City of 23 Cleveland v. Ameriquest Mortgage, 621 F.Supp 2d 513. 24 That's an Ohio decision.

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So, your Honor, given the foregoing, given the

allegations inside the complaint that your Honor has read 1 2 have been reinforced to that extent with regard to the 3 lack of any third-party damage, the lack of any damage to 4 any person or property outside, I quess, of the bridge 5 itself, we believe the Economic Loss Doctrine clearly 6 requires that the negligence counts -- and, again, to the 7 extent we get into it later, I'll try not to be too 8 duplicative on the indemnity related cases as well. We 9 think that the Economic Loss Doctrine, which is very much 10 alive and well in this state, bars recovery and those 11 counts should be dismissed, your Honor.

12THE COURT: Thank you very much. Counsel, you may13proceed.

14 MR. BLEASE: Thank you, your Honor. Again, Jeff 15 Blease, Foley & Lardner, on behalf of Barletta, Joint 16 Venture. I like to start with something we actually 17 haven't talked about yet, I don't think, which is the 18 duty. Is there an independent tort here that creates the 19 duty for which our client should be held responsible, and 20 I would suggest there isn't. And the reason is there was 21 no accident causing property damage. So, for example, if 2.2 we had employed a barge that broke loose that hit the 23 bridge and caused damage to the substructure, accident, 24 property damage, economic loss wouldn't apply. If we had 25 a crane that was operating on the bridge that collapsed

and damaged the bridge, we would be talking about an independent tort of negligence. If there was a tanker that came along that we happened to own took down the bridge, independent tort. We would be potentially responsible.

6 But here, there is no independent tort. In fact, 7 the only reason the Joint Venture is anywhere near that 8 bridge is because they had a contract to rehabilitate it 9 with a single rod. In the absence of that contract, the 10 Joint Venture would owe no duty to the State. In the 11 absence of an accident causing property damage, the 12 damages alleged are economic losses and, in fact, the 13 State pleads that in the complaint, in the introduction. 14 They say this case is about recovering economic losses. 15 It's the last sentence in the introduction. T would 16 submit, your Honor, that we have a sophisticated partner 17 as well, but I don't think that's really the test. I 18 think it's equally bargaining power at best and that's 19 why consumers, obviously, were not subject to the 20 Economic Loss Doctrine. Here, there's no question there 21 is equal bargaining power with the State and our client 2.2 through the RFP process. The State, in fact, controlled 23 that process and also offered the contract documents. We 24 should not lose sight of that.

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So this case falls squarely within the rule that has

been here in the State of Rhode Island for 30 years, the 1 2 Economic Loss Doctrine. It started when the District Court certified the question to the Rhode Island Supreme 3 4 Court in the Burman case in 1995. The court, of course, 5 we talked about it earlier, I won't repeat Mr. Prosen's 6 comments, but quoting from Washington, looking at New 7 Jersey, looking at other states and clearly they adopted 8 the Economic Loss Doctrine. In 2007 in Franklin Grove, 9 the court took it a step further and said that the 10 Economic Loss Doctrine applies. Not only does negligence 11 go out the window but so does contribution and so does 12 indemnity.

13 And, finally, in Hexagon Holdings, which we cited in 14 That brings it forward in our papers. It's a 2019 case. 15 the construction context and the Court clearly cites the 16 Economic Loss Doctrine bars the general contractor's 17 claim against the subcontractor because it's a privileged 18 contract. Here, there is no recovery in tort. We have 19 clearly economic losses and the negligence count can't 20 stand on its own, can't be modified by amendment. The 21 cases Mr. Prosen talked about from the other 2.2 jurisdictions --

23THE COURT: What do you mean by can't be modified by24amendment?

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MR. BLEASE: So we can't change the fact that we

have a contract with the State and all of the duties and responsibilities of the contracting parties are set forth in that document. There can be no independent tort because there wasn't anything that happened independent of what happened under the contract. So the work that we performed was by contract. The State's direction to us was by contract. There was nothing outside of the contract that could be cured by amendment.

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9 THE COURT: But with respect to property damage, if 10 the State was to amend and there was, in fact, property 11 damage to something other than the bridge, couldn't that 12 possibly be a viable cause of action?

13MR. BLEASE: Well, that gets into the pleading14standard of these not inconceivable facts.

THE COURT: Okay. We'll get to it.

16 MR. BLEASE: Which I understand the very liberal 17 pleading standard we have here in the State of Rhode 18 Island. It has to be beyond a reasonable doubt. But 19 here, I haven't heard anything with respect to the 20 property damage to the bridge itself or even other 21 property that hasn't already been pled in the complaint. 2.2 So I'm not sure what additional facts there would be or 23 are we purely speculating as to what those facts would 24 But, again, when the duties that arise under the law be. 25 are purely in contract, I can't conceive of any facts

that would arise that would be outside of that contract and the duties set forth in that contract. So I think that economic loss rule applies and I don't think there is any way around that.

THE COURT: Okay.

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The two cases that were cited from out 6 MR. BLEASE: 7 of state by the State of Rhode Island to try to create an 8 exception of Commonwealth and Morris. We talked about 9 both of those, but just so we have a clear record, 10 neither one of those cases have been accepted by the 11 Supreme Court in the State of Rhode Island. Neither one 12 of those are the laws of this state. Those are laws of 13 other states. Also, the Morris case, by the way, the 14 Maryland case said, "Mere possibilities are legally 15 insufficient to allege the existence of fear, danger, 16 death, or serious personal injury." That's similar to 17 the question the Court just posed to counsel.

18 I'll talk for just a minute about the notice 19 pleading. Speculative property damage doesn't satisfy 20 the process. So if I file a single sheet of paper with 21 the Court that says tort, I'm pretty sure that's not 2.2 enough. If I file a piece of paper that says breach of 23 contract, that's not enough. You have to have some 24 allegation to put the defendant on fair notice of what 25 was alleged. And here what is alleged, of course it's

inconsistent with the duties set forth in the contract, which creates a problem and those inconsistencies can't be cured.

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THE COURT: But isn't that one of the issues with the notice pleading standard is that we don't have in front of us at this point, at least in some of these, the contract. So the Court is required to accept as true the allegations, and I understand they may be speculative or others, so it may go in another direction. That's the problem. The Court doesn't have side by side the complaint and all the contracts.

12 MR. BLEASE: When we get to topic number two, your 13 Honor, I'll talk about the contract --

THE COURT: That's perfect.

15 MR. BLEASE: -- being incorporated into the pleading. 16 I think that's the best time to do it. THE COURT: 17 MR. BLEASE: Okay. Great. So the last point I want 18 to make, your Honor, is if this Court were to exempt the 19 State from the Economic Loss Doctrine from the public 20 contract in context, it would create a -- actually, it 21 would create chaos for the contractors, because 2.2 contractors would then be responsibile, essentially on 23 the strict liability cases, they would be exposed to 24 damages that aren't contemplated by the current insurance 25 or surety programs, and I think it would lead to higher

1	bid costs, which would lead to a lack of bidders because
2	the risk is too high, and, ultimately, the taxpayers
3	would bear the burden of that.
4	In conclusion, your Honor, the Economic Loss
5	Doctrine has been settled law in Rhode Island for 30
6	years, and the admissions in the complaint seeking the
7	economic loss can be overcome.
8	THE COURT: Thank you very much. Does Commonwealth
9	Engineers wish to be heard?
10	MS. SILVA: Yes, your Honor.
11	THE COURT: You may proceed.
12	MS. SILVA: Good morning. Susan Silva on behalf of
13	Defendant Commonwealth Engineers. The State has made
14	four claims against Commonwealth Engineers that all sound
15	in negligence. There was no contract between
16	Commonwealth and the State, so for now I'll just focus on
17	Count III and Count XVI, which are the two negligence
18	claims. In Count III the State argues that Commonwealth
19	Engineers assisted AECOM with inspections of the
20	westbound bridge on specific dates in 2019 and 2023.
21	Inspection reports documenting those inspections show
22	that Commonwealth Engineers did not assist AECOM with
23	those inspections. In Count XVI the State relies on a
24	design bill proposal that was submitted by the Joint
25	Venture for proposed work that it might have Commonwealth

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1	Engineers perform if it were to be awarded the project.
2	There is no allegation that Commonwealth Engineers
3	performed that work, contracted to perform the work,
4	agreed to perform the work, or was involved in any way in
5	the submission and drafting of the joint proposal.
6	The negligence claims against Commonwealth Engineers
7	fail for two reasons. First, the Economic Loss Doctrine
8	bars the claims, and second, the claim fails to plausibly
9	allege on each of the counts that there was wrongful
10	conduct or omission on behalf of Commonwealth Engineers
11	that would satisfy the count of negligence.
12	THE COURT: Okay. I asked if anyone could be heard
13	before. When I hear plausibly, it's Twombly Iqbal. So
14	what's the standard?
15	MS. SILVA: It is a notice standard.
16	THE COURT: Okay.
17	MS. SILVA: And this gets into the second PCR
18	argument. For Count III, the AECOM inspections, it's our
19	position that you have to look at the inspections
20	themselves, that they're sufficiently referred to in the
21	complaint, that the authenticity of them is not disputed,
22	and that's essential to the allegations in the complaint.
23	THE COURT: Okay. I understand.
24	MS. SILVA: When you look at those inspection
25	reports, those govern over the bare conclusory

allegations that are in the complaint.

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THE COURT: So it's not necessarily plausibility, it's the fact that the Court should be looking at the inspection reports as well and could make a finding based on that?

MS. SILVA: Relative to Count III, that's correct. I'm not going to talk too much about the Economic Loss Doctrine. That has been covered. But I just want to touch on one point having to do with it. Your Honor pointed out that the exceptions to the Economic Loss Doctrine have all focused on consumer exceptions and some of those cases have been talked about just briefly.

13 The Russo case, which is a 1999 case, that case 14 really talks about the importance of protecting the 15 consumers. That same rational, obviously, does not apply 16 to an agency like the State. The same sentiment in the 17 E.W Burman case, 1995, focusing on whether there is a 18 discrepancy in bargaining parties, and, most importantly, 19 is the Franklin case, which is in 2007. And that case 20 focuses on entities that are acting in a business 21 capacity, and in that case the parties were arguing that 2.2 they weren't sophisticated commercial entities. They were something different. And the court said, no, the 23 24 issue the trial judge should have looked at is whether 25 one of the parties is a consumer. One of the parties was not a consumer so the Economic Loss Doctrine doesn't apply.

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3 Moving to the second argument and focusing first on 4 Count III, which is the AECOM inspections. The State 5 alleges that the Commonwealth assisted AECOM with 6 inspections of the westbound bridge on July 24, 2019 and July 21, 2023. It's unclear what is meant by assisted. 7 8 It's got to be something less than performed. Thev 9 didn't perform the inspections. They didn't agree to 10 perform the inspections. But what exactly is meant? 11 It's unclear because it's not set forth in the pleadings. 12 We don't have fair notice of what that means. But, in 13 any event, the inspection reports that document the 14 inspections, which are attached as Exhibit 1 and 2 to our 15 motion to dismiss, show that AECOM alone performed those 16 inspections. The State asks the Court to ignore those 17 inspection reports, but it's appropriate for the Court to 18 consider them because the State doesn't dispute their 19 authenticity. Their reports document the very 20 inspections that are being complained about and that is 21 specifically referred to in the complaint. The case 2.2 that's on point for that is Mokwenyei v. Rhode Island 23 Hospital, which is a 2018 case.

24THE COURT: Yes, and I know we're going to get into25this with others when we get to the contract claim. The

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general rule the Court converts it to a Rule 56 motion. There is those limited exceptions.

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3 MS. SILVA: And this falls squarely within those 4 exceptions. First, the State doesn't dispute the 5 authenticity of the documents. In fact, they're pulled 6 directly from the State's website having to do with the 7 bridge. Second, the inspection reports are clearly central to the State's claims and the State is 8 9 complaining about the findings that were reported in the 10 inspection report. And, third, the inspection reports 11 are actually specifically referred to in the complaint, 12 and I would point the Court to paragraph 68 and 74 of the 13 complaint. Both reference the report. Paragraph 74 14 specifically says, "After completing the inspection of 15 the Washington bridge, each engineering firm reported its 16 findings to RIDOT through an inspection report," and 17 that's what we're asking the Court to look at here 18 without converting it to a Rule 56 motion.

19Where the inspection reports directly contradict the20allegations in the complaint, those govern. And that's21the Fitch case that's cited in the papers.22Alternatively, the State argues that the inspection23reports do not contradict the allegations in the24complaint, but the inspection reports literally set out25right on the report who performed the inspections, who

reported the findings that the State is complaining about. That would be *Commonwealth*.

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The uncontradicted exhibits shows that Commonwealth Engineers did not perform the inspections and it's not entirely clear what is meant by assisted. It's a word used for Count III, but the report shows that didn't happen. Because Commonwealth Engineers didn't assist AECOM with the inspections, Count III should be dismissed. They could not have owed a duty to the State with regard to inspections, agree to perform, contract to perform.

12 Turning to Count XVI, which is a separate count, 13 negligence count that focuses on the Joint Venture 14 proposal. The complaint alleges that in 2021, Joint 15 Venture submitted proposals to the State for a project to 16 rehabilitate the bridge. There is no allegation that 17 Commonwealth Engineers participated in drafting, 18 submitting that proposal. It's all representations made 19 by the Joint Venture. The proposal makes certain 20 representations of proposed work that it might have 21 Commonwealth Engineers perform if it were to be awarded 2.2 the project. Absent from the complaint is any allegation 23 that Commonwealth Engineers actually performed the 24 rehabilitation work, agreed to perform it, or otherwise 25 had a duty to perform the rehabilitation work.

Commonwealth Engineers cannot be liable for failing to perform the work that it never performed and never agreed to perform.

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4 The State argues in its opposition that the only 5 reasonable inference to draw from the allegations is that 6 Commonwealth Engineers did, in fact, perform the 7 rehabilitative work. But reading the allegations in the 8 complaint, staying within the four corners of the 9 complaint, that is far from the only reasonable 10 inference. The State could have alleged that 11 Commonwealth Engineers contracted to perform the work or 12 actually performed the work. But the State is careful 13 not to do that because it could not make those allegations in the complaint. Instead the State relies 14 15 solely on representations made by the Joint Venture in 16 its proposal, and those representations alone do not 17 create a duty on behalf of Commonwealth Engineers. 18 Without a duty to perform the work, Count XVI as to 19 Commonwealth Engineers should be dismissed. Thank you.

THE COURT: Thank you very much. Does counsel forSteere Engineering wish to be heard?

22 MR. HUTCHINSON: Good morning, your Honor. May it 23 please the Court. Addressing just briefly the standard, 24 Steere agrees the standard is not the federal standard of 25 plausibility. Your Honor, the case law is clear that

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1	there is a constitutional due process component of even
2	the notice pleading standard. For my client in
3	particular, I think for most defendants, the problem with
4	this complaint is that we are not being put on notice of
5	what particularly, my client, what my client did
6	wrong, the basis on which my client should be liable to
7	the State, and that is the core that overrides any
8	concept of notice, and the Court being able to indulge
9	the Plaintiff with any set of facts that might give rise
10	to the claim.
11	THE COURT: So you're basically saying if we apply
12	the standard for the State of Rhode Island, there's not
13	fair notice given and, therefore, there's that
14	constitutionally?
15	MR. HUTCHINSON: Absolutely. Absolutely.
16	THE COURT: I understand.
17	MR. HUTCHINSON: And, of course, the State also has
18	the opportunity and your Honor can order a more definite
19	statement in this complaint, which I think one of the
20	defendants have requested. That's sort of the middle
21	ground here, but, again, from my client's point of view
22	we submit even a more definite statement isn't going to
23	get them over the rail.
24	I'd like to take the argument just a little bit out
25	of order. We started with the scope of our initial

brief. I would like to start briefly with the Economic 1 2 Loss Doctrine. Again, my client Steere was a 3 sub-consultant to AECOM. So if AECOM prevails in the 4 defense of the Economic Loss Doctrine, my client 5 necessarily would too. There is no concept in the law 6 that would allow -- we don't even have a purchaser here 7 of a product. Let's take it to that extent. Even if 8 they had bought this bridge from AECOM, they don't get to 9 avoid the Economic Loss Doctrine by finding an employee 10 or somebody, a sub-consultant, who had done the work and 11 say that scope of work was somehow negligent and, 12 therefore, we get to recover in negligence. The Economic 13 Loss Doctrine makes it clear that even if you're 14 purchasing a product from someone the contract is what 15 controls. And here, we don't even have the purchase of a 16 product, nothing even close. This bridge was built 30, 17 40 years ago, and AECOM was brought in to attempt to 18 salvage the bridge, make it last longer, and my client 19 had a very small scope under that larger contract to 20 design certain repairs to this bridge. And so there is 21 no claim whatsoever that could give rise to recovery 2.2 against my client for the deterioration of a bridge that 23 was already deteriorated.

24The concept that the State isn't a sophisticated25purchaser of these services is just absurd. They're

probably the most sophisticated one, certainly in Rhode 1 2 Island, the most market control and power in terms of 3 dictating what the terms of their contract would be with 4 those with whom they contracted. So this is a prime 5 example where the Economic Loss Doctrine should apply 6 because the State had it within its sole control and 7 ability to dictate through its contract with whatever 8 defendants. Again, it wasn't my client in the contract. 9 It had an opportunity to dictate what the recovery would 10 be under what circumstances, and it didn't extend to 11 negligence in this case. So the Economic Loss Doctrine 12 should answer any questions.

13 But, again, for my client in particular in this 14 case, we have an additional, very significant and 15 fundamental defense that our scope of service simply had 16 nothing to do with what this complaint is about. We 17 submitted as part of our materials the contract between 18 my client's theory and AECOM. And the first argument the 19 State makes is that's not part of the complaint, but they 20 concede and the law is undeniable that if the complaint 21 either expressly relies on or is absolutely dependent on 2.2 a contract or some other document, that document can be 23 considered. My client can't be in this case without the 24 contract because they don't have a contract with the 25 The only reason we are even in this case is State.

because we have a contract with AECOM. So for that claim to be asserted by this Court, the Court has to be aware of and take judicial notice of what that notice says.

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4 And the contract in this case between Steere and 5 AECOM, there are two of them, the first one in 2014 6 involved certain design repairs to completely different 7 areas of this bridge that's involved in this matter, 8 spans 15 through 18, which was separate from piers six 9 and seven and spans one through 13 with a structural 10 divide, different design, nothing related whatsoever with 11 what the State is complaining about and that contract was 12 abandoned because of traffic problems. So we come back 13 to 2019 and we are asked to provide a concept or an RFP 14 that was going to go forward with a design build 15 contractor. So then we weren't even defining what was to 16 be built, simply defining what the contractor would be 17 considering in designing its own repairs.

18 So that, your Honor, again, takes my client out of 19 this case because the only thing the State can say in 20 response to that is that they quote this generalized 21 allegation that they use for everybody saying that after 2.2 the pier six and seven problem arose and they shut down 23 the bridge and started demolishing it because of that. 24 And they use the phrase, "Later investigation revealed 25 the existence of unaddressed voids, poor grout, moisture, and corrosion resulting in widespread deterioration of the post-tensioning system critical to the safety and structural integrity of the bridge."

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4 That's a nice catchall phrase but it doesn't tell my 5 client anything. It doesn't tell my client whether there 6 was even any issue, post-structural defect in the tendons 7 and grout that involved spans 15 through 18. And that 8 issue gets back to basic due process requirements. My 9 client has to be put on notice of what a claimant is 10 supposed to do and what it didn't do, and that is not in 11 this case, your Honor. And so by taking notice of and 12 applying the contract terms, even giving the State all of 13 the benefits of the doubt in terms of pleadings, it still 14 doesn't get them over the rail for my client because my 15 client had nothing to do with any parts of this bridge 16 involving pier six and seven or any other component parts 17 of pier six and seven tied into. There is nothing in the 18 complaint that I suggest fairly puts my client on notice 19 that this ought to be a void in the grout or moisture was 20 at all a problem with piers that span 15 through 18 and 21 the State hasn't come forward in its opposition to 2.2 suggest that and it had an opportunity to do so and it 23 didn't.

And, finally, the overlay, again, this ties into -this isn't even the purchase of a bridge that hasn't performed. This is a bridge that was basically on its last breath that the State was attempting to rehabilitate and they're now seeking from my client and other defendants essentially a new bridge, and that's a classic betterment. You don't get to recover against a punitive defendant money if you would have had to spend it any way for losses that aren't the result of any contract of that defendant.

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9 So, your Honor, for those reasons and the reasons we 10 have addressed in our papers, I ask that you dismiss this 11 case as to Steere.

12THE COURT: Thank you very much, counsel. Would13Jacobs Engineering wish to be heard?

14 MR. BLESSINGTON: Good morning, your Honor. John 15 Blessington. As a long-time listener and first-time 16 caller, I'm not sure what the rules of engagement are 17 here, but I want to make sure that the record is clear 18 that we basically agree with everything that Mr. Blease, 19 Prosen, Hutchinson, and Ms. Silva said. If you're only 20 looking for us to add anything new, we stand on our 21 papers.

THE COURT: Thank you very much. Prime AE Group. MR. COTE: Good morning, your Honor. Sam Cote for Prime AE Group. I just reiterate everything my brother just said. Nothing new to add. 1THE COURT: Thank you. And, finally, Aries Support2Services.

3 MR. KELLEHER: Good morning, your Honor. John 4 Kelleher for Aries Support Services. We also adopt all 5 the arguments previously made. I want to point out, 6 Judge, that the doctrine of privity doesn't void the 7 Economic Loss Doctrine. And then one brief point, the 8 reference in our papers to the contract does not turn 9 this into a Rule 56 motion. The allegation in the 10 complaint is that Aries had a duty. That duty arises 11 from the contract so it's central to the Plaintiff's 12 claim and the motion should be denied. Thank you. 13 THE COURT: Thank you. There's a bunch to unpack. 14 The Plaintiff may be heard. 15 Thank you, your Honor. Stephen MR. PROVAZZA: 16 Provazza on behalf of the State of Rhode Island. With 17 the Court's permission I'll address the negligence 18 argument, and Adnan Toric will address the contract

argument and my colleague Diana Martin will address theindemnity provisions.

21 THE COURT: Very good. We're on negligence, so 22 you're up.

23 MR. PROVAZZA: Your Honor, we talked at length 24 already about the pleading standard. I think it's really 25 important to look at what the State has pled. If you look at page one of the complaint, the final paragraph, "The State of Rhode Island brings this complaint to hold those liable for the physical damage to its property and for the economic losses it has and will in the future suffer." In addition, each of our negligence counts we plead a duty, a breach, and causation damages. We've plead all required elements. We have given the Defendants fair notice of what we're seeking to do here and that's where the inquiry should end.

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10 I do want to address the Defendants' arguments about 11 the Economic Loss Doctrine, and I think first and 12 foremost our pleadings put the Defendants on notice that 13 we may have damages beyond the scope of the work 14 contract. In Rhode Island there is no requirement that 15 any plaintiff pled damages with particularity when 16 bringing a negligence claim. And even under the 17 Defendant's proposed application of the Economic Loss 18 Doctrine, we would still be entitled to pursue a 19 negligence claim for damage to other property, other than 20 what we're contracted for.

21 Our brief lays out alternative examples of what 22 property damages that falls outside of the Economic Loss 23 Doctrine would look like. For example, wear and tear on 24 the alternative roadways. We all know Governor McKee 25 held a press conference just last week to address questions about the wear and tear on the east span of the Washington bridge. There is also a question about whether there is any property damage to State property caused by the demolition. We also raised that in our brief. I think these are live questions. These are appropriate to develop over the course of the case and adequately meet Rhode Island's notice standard. We put the Defendants on notice.

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9 THE COURT: You're saying those were in your papers. 10 What the Court is focused on is the complaint. If that's 11 the case, are you looking to amend your complaint to 12 include some of these things that weren't in there 13 initially?

MR. PROVAZZA: Your Honor, I only raise those as examples of the type of conceivable facts that we can succeed upon. We do plead property damage. We purposely plead property damage in each negligence count and we include it on the first page of the complaint, so we met our pleadings standard here.

The second overarching issue I want to raise with respect to the Defendants' argument is that it's far too early in the litigation to make a determination regarding the Economic Loss Doctrine. Most cases that apply the Economic Loss Doctrine do so at a motion for summary judgment, that includes *Hexagon Holdings*. It includes the Franklin Grove case. And the Court really needs the full record, the full set of facts before it to make that determination and that would include all relevant contracts, all relevant changes to contracts, all the relevant documents that govern the contractural relationship between the parties to understand what the scope of those contracts are.

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And I think the case we cited in our brief, it's called *Inland American Retail Management*, a 2011 case by Judge Silverstein explains on a motion for summary judgment that parties can contract for different types of liability. And if you looked at a lease agreement and saw that the plaintiffs and defendants carved out the ability to pursue negligence --

15 THE COURT: And I understand that. But if that was 16 the case wouldn't you have plead that there is an 17 exception within your contract for negligence claims? I 18 mean, to a certain extent, you know, we get to what's 19 fair notice of the claims against someone. Please 20 continue.

21 MR. PROVAZZA: Your Honor, I think we have given 22 fair notice regarding the property damage, and in 23 addition, we put the Defendants on notice of the duty to 24 breach. I just note we do not think it's properly 25 incorporated into the motions, but we do have Steere

Engineering filed as an exhibit their contract with 1 2 AECOM, which also included a copy of AECOM's contract 3 with the State. We don't believe this is appropriately 4 incorporated at the motion to dismiss stage, but just as 5 an example of why we need additional discovery. If you 6 look at that exhibit, I believe it's page 33 of the 7 exhibit, page 17 of the contract states under the 8 liability section, "The consultant should be liable for 9 all damage caused by its negligent acts." So although we 10 haven't had discovery on this. We haven't actually --11 THE COURT: That's the contract between AECOM and 12 Steere? 13 MR. PROVAZZA: AECOM and State. 14 THE COURT: State. Okay. I'm sorry. I thought you 15 were saying Steere. 16 It's attached as Exhibit 1 to MR. PROVAZZA: 17 Steere's motion to dismiss. 18 THE COURT: Understood. 19 MR. PROVAZZA: So while again we don't believe that 20 it's time to look at every contract in the motion to 21 dismiss stage and interpret what's in them. There needs 2.2 to be more discovery. This is the type of argument that is decided at a motion for summary judgment. 23 24 THE COURT: Well, let's talk about some of the 25 things that you raise. Is there anything in Rhode Island

1 case law that has a sovereign exception to the Economic 2 Loss Doctrine? 3 MR. PROVAZZA: Your Honor, that's where we're 4 turning next. 5 THE COURT: Perfect. 6 MR. PROVAZZA: We raised a number of issues, very 7 valid issues, in our motion to dismiss objection. I 8 don't think it's the appropriate time to rule on those. 9 We still have to develop the full record. The Court does 10 not have to reach those before denying the Defendants' 11 motion to dismiss. But there is no case cited by the 12 Defendants. We have never seen a case where a state 13 sovereign is held to have a claim for negligence claims 14 through the Economic Loss Doctrine. There is no case on 15 the other side interpreting that we would never apply for 16 state sovereign, but there is no case applying to state 17 sovereign. So an application here would extend it beyond 18 the bounds that it's been extended before, beyond 19 commercial entities, understanding State may act in its 20 commercial capacity when contracting for bridge 21 inspections and repairs but it would be an extension 2.2 nonetheless. We also raise in our brief, that the claims 23 sound in negligent misrepresentation. Again, we believe 24 that we have adequately put the Defendants on notice 25 given the facts we plead.

1 THE COURT: Well, there's no count on negligence. 2 It kind of reads, and some of the people here won't 3 understand, Johnny Carson as Carnac the Magnificant. Ι 4 can somehow look at the words and it comes up, but there 5 is no count. I understand there is an exception. 6 MR. PROVAZZA: We argue, your Honor, that our 7 negligence count encompasses such a claim, but I think 8 even more importantly -- oh, Mr. Prosen also brought up 9 the serious risk situation. Again, that's the type of 10 factual situation that would need to be developed for a 11 motion for summary judgment. I think one of the --12 another one of these issues is there is still questions 13 in Rhode Island law about how the Economic Loss Doctrine 14 applies to certain contracts. There is cases, Judge 15 Silverstein -- Judge Silverstein decided multiple cases 16 where at the motion for summary judgment stage the Court 17 analyzed the relationship between the service contract 18 and the type of entity entering into such contract.

19And that was the 38 Studios case, Rhode Island20Economic Development Corp. v. Wells Fargo, 2013, and21Ciccone v. Pitassi, a 2004 case looked at whether there22is an additional duty outside of the contractual duty.23For example, in the Ciccone case, that dealt with a bank.24Somebody had a C.D. at a bank, and the bank issued a25check from the principal of the C.D. without notifying

the person that owned the C.D., and it appeared that someone else cashed it. And there the Court analyzed the contractural relationship, the facts and circumstances of that relationship history of the parties, and the role the bank was taking in that relationship to determine the bank had an additional duty outside of the C.D. agreement.

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8 In Rhode Island Economic Development Corp., which 9 dealt with negligent misrepresentation, Judge Silverstein 10 noted, "The test is not simply whether an injury is an 11 economic loss arising from a breach of contract, or 12 rather the injury is traceable also to a breach of a tort 13 law duty of care arising independent to the contract." 14 Here, we allege negligent duty outside of the four 15 corners of the contract.

16 And just to address a few arguments raised in 17 particular by Defendants to Commonwealth Engineers. 18 Counsel referred to inspection reports, and we addressed 19 this in our brief that this is outside of the scope of 20 the complaint and they're not expressly incorporated. 21 The Plaintiff is not dependent on those. Again, we don't 2.2 believe they're appropriately before the Court at this 23 time. But even in the inspection reports it's unclear as 24 to the Commonwealth's participation. They rely on 25 ambiguous notice that we have to develop through

discovery.

2	And, finally, to address Steere Engineering's
3	arguments, again, they seek to introduce documents
4	outside of the record, outside of the four corners of the
5	complaint, and they note that we in our complaint we
6	allege that there are damages to the bridge, issues of
7	the bridge beyond piers six and seven. They point the
8	Court to fact that they may not have worked on six and
9	seven, but our complaint goes beyond that. No further
10	questions, your Honor?
11	THE COURT: No, thank you very much. Do any of the
12	Defendants wish to reply?
13	MR. PROSEN: Briefly, your Honor.
14	THE COURT: Go right ahead.
15	MR. PROSEN: That's the problem with construction
16	cases, too much paperwork. Your Honor, Lawrence Prosen
17	for AECOM again. Your Honor, I appreciate my co-counsel,
18	defense counsels' positions. We make a good team, but
19	what we heard today is the State is on a fishing
20	expedition. They're lead counsel represented that we,
21	State, may have damages, may have damages. And the State
22	has talked about its need to further develop the case.
23	The State developed at least at the Prime contractor
24	level. I'm not going to talk about the subcontractors.
25	Counsel can do that. But the State drafted the contract.

The State developed the scopes of work. The State put these out for RFP public bidding. The State has the scopes of work. Your Honor doesn't have the scopes of work. As we sit here now, we don't know exactly -- we have an idea, but we don't know what contracts they're talking about. We don't know what contracts they claim we breached. We don't know any of that.

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8 So instead of the State developing this case 9 further, they pulled the trigger and filed suit and are 10 going to go after those that they think anyway and want 11 the public to think are at fault. Again, without the 12 State recognizing any of its own culpability in this 13 case.

14 The State talked about Rhode Island Economic 15 Development. I've heard a lot about that case since 16 getting involved in this case. Judge Silverstein 17 actually had some interesting discussions about the 18 standing inquiry that the Court had to go through, and 19 I'm trying to find the right page number here. It's a 20 Westlaw citation. It's at page ten. The Court stated in 21 part, "That the standing inquiry is satisfied when the 2.2 Plaintiff has suffered some injury in fact, economic or 23 otherwise." And then, "Injury in fact has been defined 24 as, quote, an invasion of a legally protected interest 25 that is A, concrete and particularized, and B, actual or

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imminent, not conjectural or hypothetical."

2 As a general rule a claim is not ripe for 3 adjudication if it rests upon contingent future events 4 that may not occur as anticipated or indeed may not occur 5 That's the Rhode Island case. There is at all. 6 protracted citations, which I'll skip for your and the 7 court reporter's benefit. And here that Studio case, all 8 the Defendants were involved in that case. The liability 9 is pretty much set I think the Court found. It was really a question of damages. Here, as counsel, as my 10 11 friend has said that we may have damages in the future, 12 we may not. We heard about a press conference last week. 13 Well, that certainly is not in the four corners of what 14 the Court has before it now. As a result of that it's 15 not for the Court's consideration and, again, it's 16 conjecture. We don't know. It's rare in my experience 17 to have a complaint that doesn't have any addendum with any particularity, reduced X dollars or reduced Y 18 19 dollars, whatever the case is.

I actually did fail one thing. I did not mention negligent misrepresentation, but just so the record is clear, as they admitted in their brief, it's not pled. There is no notice. Negligent misrepresentation, the first time I saw it was in their opposition brief and again that's outside of the four corners of the document, of the pleading before the Court. Wear and tear, not mentioned anywhere in the complaint.

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3 The State would have the Court effectively rule that 4 under a negligence count, and I sort of start with this, 5 that there was a duty. They literally can say there was 6 a duty, the duty was breached, and there's damage and not 7 particularize that at all. I could do that. I could 8 probably have my kids do that pretty quickly, pretty 9 easily. It might not look as pretty as our complaint. 10 The bottom line here is, your Honor, we need more. The 11 Court needs more. And there's certainly many conceivable 12 methods and ways in which they can claim using some 13 simple words, duty, breach, and damage. They have to 14 give us the opportunity as other learned counsel talked 15 about with the due process rights here. They haven't met 16 their burden here, your Honor. Thank you.

17THE COURT: Thank you. Again, Attorney Newberry,18which client do you represent?

19MR. NEWBERRY: VHB. I would just like to be heard20on the negligence issue briefly.

THE COURT: Okay. That's fine.

22 MR. NEWBERRY: Thank you, your Honor. I did not 23 file a motion to dismiss. I would like to make an oral 24 motion. I want to point out two things to the Court. 25 One, VHB was a sub-consultant to the Joint Venture. There's no contract with the State. The irony of being the party that discovered the problem and prevented a catastrophe is being sued is incredible. But depending on how the Court rules, I will be looking to file a me-too motion down the road because we would join in all the arguments.

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THE COURT: Okay. That can be dealt with down the road. Counsel.

9 MR. BLEASE: Thank you, your Honor. Jeff Blease, 10 Foley & Lardner. Also my ears perked up when I heard we 11 may have damages that are outside of the contract. I'm 12 still -- conceptually, I can't even understand what those 13 would be. Also it's inconsistent with what we talked 14 about at the press conference last week about the 15 eastbound span that apparently was built on substructure. 16 It was in poor condition then and it's still in poor 17 condition now, but the bridge is fine. So if that's the 18 case, how is it possible even beyond a reasonable doubt 19 to allege there has been damage to that span when the 20 State's own statements are contrary.

And the only piece -- well, two other quickly. There is no carveout in the Joint Venture agreement for the negligence claims. The complaint was filed five months ago. They certainly would have read the contract by now and brought that to the Court's attention.

And then lastly, the Economic Loss Doctrine test is 1 2 equal bargaining power. It's not public versus private. 3 There is no sovereign exception. It's equal bargaining 4 power. 5 THE COURT: Can you just respond to one thing that 6 the State had said. Is this something that I can't decide on a motion to dismiss? It's kind of not the 7 8 words, but what I got out of part of the papers. 9 MR. BLEASE: I did hear that, your Honor, but I 10 think it's incumbent upon the Court to rule on the motion 11 to dismiss because, quite honestly, this is a massive 12 piece of litigation that our client will need to defend 13 and there are practical expenses involved with that, and 14 it's just not fair to my client to continue on this 15 negligence claim when it's clearly barred from the Economic Loss Doctrine. 16 17 THE COURT: Thank you. 18 MR. BLEASE: Thank you. 19 Would any of the other Defendant's wish THE COURT: 20 to reply? 21 MS. SILVA: Just briefly. Just two quick points, 2.2 your Honor, on behalf of Commonwealth Engineers. The first was a little bit of a discussion about the 23 24 negligent misrepresentation claim. One, it's not in the

25 complaint, but, two, page 38 of the opposition talks

about that being a potential claim that the State could bring against AECOM and the Joint Venture. There is no allegation that applied to Commonwealth Engineers.

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On the second point is I would turn the Court to footnote two of our reply brief, and we cite two cases, Rhode Island cases. One from Superior Court, which is *Triton Realty Limited Partnership*. The other is a federal court case *Owen Building, LLC*. Both of those apply the Economic Loss Doctrine at the motion to dismiss stage, so it's appropriate for the Court to do so here. Thank you.

THE COURT: Thank you. Attorney Hutchinson.

13 Thank you, your Honor. Just MR. HUTCHINSON: 14 briefly on the other property damage argument that the 15 State has made. First of all, the wear and tear argument 16 again is the State's effort to get something for nothing. 17 Because if cars don't drive on I95 by 195, they got to 18 drive somewhere. So either they're doing wear or tear on 19 another street or they're doing wear and tear on the 20 The State is saying somehow miraculously that it bridge. 21 should have been saved by some --

THE COURT: Counsel, let me must be quick. I think I was pretty clear that the State does not account. I don't want to start going down the road of what they may or may not put here because I'm not going to be able to rule on that.

2	MR. HUTCHINSON: The other issue is the property
3	damage from other third parties. They wouldn't know that
4	claim. Again, if they won it by contract to get
5	indemnity that's a result of a claim by some third-party
6	property owner, but for the simple fact that there may be
7	property damage to some third party does not take this
8	out of the Economic Loss Doctrine. Thank you.
9	THE COURT: Do any of the other defendants wish to
10	be heard? Very good. We've now completed part one.
11	It's a little after 11:00. We're going to resume at
12	11:15. The Court will be in recess.
13	(RECESS)
14	THE COURT: Okay. We're going to move on now to
15	arguments related to the breach of contract claim.
16	Counsel, you made proceed.
17	MR. PROSEN: Thank you, your Honor. Your Honor,
18	again Lawrence Prosen for AECOM. And, your Honor, this
19	should be hopefully a more streamlined discussion than
20	the Economic Loss Doctrine.
21	THE COURT: Perfect.
22	MR. PROSEN: Your Honor, there's three breach of
23	contract claims against AECOM, all of which are vague,
24	conclusory, lack of damages, lack of what we would argue
25	sufficient notice. Count I is a breach of what is called

the 2014 contract. Count IIII is a breach of the 2019, I call it a conceptual design contract, and then Count X what is called breach of the 2017, 2019, 2020, and 2023 inspections, which as I understand were basic purchase orders under a government contract called an in-depth and deliberate definite quantity contract or an umbrella contract.

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THE COURT: I think they're master price agreements or something along those lines.

10 MR. PROSEN: Something like that. Master purchase 11 agreement or whatever the case may be, yes, your Honor. 12 I'm going to package those all up together. The 13 arguments are the same. As we heard earlier, there is no 14 description of damages whatsoever and, again, without 15 revisiting it, may have damages, might have damages, any 16 sort of future perspective damages, it's not notice 17 pleading, your Honor. It's no pleading at all. It's 18 simply saying this might be there somewhere in the 19 future.

I certainly appreciate counsel's earlier argument with regards to, well, we need to develop the case more. But pleading a cause of action, particularly where we're talking, I guess, conceptually worse case scenario of bridge replacement, which again we don't agree with. We're not just playing fast and loose. This isn't like

1 an auto purchase agreement or a lease dispute or an 2 eviction notice of some residence or whatever. It's a higher standard than the standpoint of the sophistication 3 4 of the parties and the sophistication and the complexity 5 of the dispute that's involved here. There is not a 6 single citation to any contract whatsoever in the 7 complaint. The State does cite to regulation under the 8 indemnity provision, but regulation is separate and 9 apart. Interestingly enough, and I have been doing this 10 a while. I do a lot of government contracts too. There 11 is no allegation that any notice to cure was ever 12 provided. There is no allegation that any notice of default was ever provided which are fundamental 13 14 provisions in the contract, which interestingly enough 15 are not cited.

16 However, again, there was nothing. There was A, we 17 shut the bridge down in December, and then the lawsuit 18 commences shortly thereafter with a litigation hold in 19 the middle sort of. Interestingly enough, what is not 20 pled is if there is any issues with the inspection 21 reports, not just AECOM's but all these different 2.2 inspection reports. They were produced. They were 23 reviewed. Well, I don't want to get into too much 24 conjecture, again, out of the four corners, but there is 25 no allegation ever that the State rejected or had any

issues with these inspection reports. The State never alleges or claims that they raised any issues, which would be presumably a default under a contract. That never happened.

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5 And critically too, AECOM, and, again, I don't want 6 to get too far into the other Defendants, did what they 7 were told to do under the terms of the contract. There 8 is no identification of any -- again, here we go again, 9 simply saying there was a duty or there was a contract or 10 there was a breach without something more, how does one 11 respond to that? There's a contract and these contracts 12 can be very lengthy. Again, we're not talking about a 13 two-page lease or whatever the case may be or a carriage 14 agreement or a purchase order, whatever. It's much more 15 involved than that.

16 THE COURT: So do you need to reference a section of 17 the contract? Our Supreme Court seemed to deal with this 18 and said there is also good faith and fair dealing and 19 you don't necessarily, but it's not entirely clear.

20 MR. PROSEN: Obviously, I've certainly read 21 contracts where it says each party agrees to act in good 22 faith and fair dealing. However, as the Court knows 23 that's an implied duty as opposed to an explicit duty. 24 It would seem to me in a hypothetically multi-dozen page 25 contract that if there were six breaches, I know how I would draft a complaint, your Honor. I would be much more specific. I would, frankly, include those documents as part of it. You know why? To avoid this kind of motion, to be honest with you.

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5 And, again, you heard earlier about betterments. 6 Contracturally, there is no theory where the State gets a 7 new bridge on the entities that it contracted with. 8 There is no reference to causation. They say there's a 9 breach. Okay. Let's assume, as the Court must, that 10 there was some sort of breach. What was the breach and 11 what was causation? How did what AECOM did or didn't do, 12 errors, omissions, or whatever, which is a negligence 13 sort of discussion, what did they breach? What didn't 14 they breach? How did that result in whatever the damage 15 or the we-may-have-future-damage scenario in the future. 16 We don't know.

17 The facts do also state in the complaint that there 18 is this ongoing back and forth with the different 19 defendants. There were inspections. The inspection 20 count goes back through 2017 to 2023 in the case of 21 Jacobs did inspections. Other parties did AECOM. 2.2 inspections. Originally they were semi-annual per the 23 FHA requirements. Because the bridge was in such 24 disrepair, it went to annual contracts -- excuse me, 25 annual inspections, and different people, by the way. It wasn't like AECOM did every inspection of the bridge. They rotated around to different bridges. One year you may have AECOM. The next year you may have Jacobs. The next year you may have Bill Smith, you know, inspectors, whoever was under contract. It has been known for at least eight years that the bridge had issues. As alleged in the complaint, they went through different iterations of defense and consideration of the contract.

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9 Again, I mentioned in my opening where work was 10 being done. They stopped it. They terminated for 11 convenience. So it's not like this happened all of a 12 That December of 2020 -- sorry. I'm getting my sudden. 13 years mixed up with New Year's -- 2023, all of a sudden 14 this happened. The State was on notice. The record is 15 completely silent on any prior notice of default, any 16 notice to secure. Those sorts of conditions precede. 17 There is no allegations. There is nothing in the record 18 that supports that. With that in mind, we don't know 19 what has been breached or alleged, other than some generic statements what provisions have been breached. 20 21 How is one expected to be able to respond? Again, this 2.2 is a complex potentially large dollar amount case here 23 and none of those fundamental requirements were met.

As importantly, there is no allegation as to what, if any, damages, not even getting into the actual dollar amounts associated with this. Again, I would expect in an amount to be determined at trial but at least X dollars or something like that to be the case. They have not alleged how AECOM as inspector and limited designer appears responsible for the wholesale removal and replacement of the bridge. They have not identified what conduct AECOM did or didn't do. They've done nothing. Again, it's a 42-page complaint. Again, on average three pages dedicated if you average it out to the Defendants.

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10 We talked about about notice pleadings. I'm not 11 going to revisit it. It's something more than again in 12 this case saying there was a contract, there was 13 consideration, offer, acceptance, breach, and damages. 14 You can't just put in -- I mean, if that was the case, 15 again using my kid as an example, anybody could put a 16 complaint together, bring it before the Court and spend 17 those precious resources as well as the resources of all 18 these parties, State included, by the way. Your Honor, I 19 have nothing further unless you have any questions.

> THE COURT: No. Thank you very much. Counsel. MR. BLEASE: Thank you, your Honor. Jeff Blease

once again for Barletta/Aetna Joint Venture. The key to
any contract are the terms and conditions, and the key
here is what was the Joint Venture actually supposed to
do. And we have alleged in our -- not alleged, but we

have written in our motion papers that we were told what to do by the State. We'll talk about that in a little bit with the Base Technical Concept.

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4 But, more importantly, we need to start with the 5 question of can the contract be considered for purposes 6 of this motion, and the answer is yes. I believe there 7 are two bases for that. First, it's central to the 8 claim. It's referred to throughout the contract, and 9 clearly the contract -- strike that. Referred to 10 throughout the complaint, and clearly the contract 11 controls the rights and obligations of the parties here. 12 I also think it's probably an official public record when 13 its an executed agency agreement, probably subject to 14 whoever requests that exception probably applies as well, 15 although I can't represent to the Court that I found 16 authorization on that.

17 Clearly the EDC case provides guidance here. The 18 EDC case is 275 A.3d 537. The jump cite is 542 to 543. 19 It involved a lease agreement and the Plaintiff referred 20 to the lease agreement in the complaint, and the Court 21 found that the lease merged into the complaint and could 2.2 be considered, and appropriately dismissed that case 23 based upon the terms of the contract. So no conversion 24 of Rule 56 is necessary for the Court to consider the 25 contract between the Joint Venture and the State.

When reviewing the contract, we talked about the 1 2 standard of review on negligence when reviewing this Botelho and Chariho give guidance on that, and 3 claim. 4 Chariho the terms are given the plain meaning. So what 5 do the terms say? The RFP in part three defines the 6 contract documents, and there are a number of documents 7 that comprise the contract here between the parties. One 8 is the BTC, which is the Base Technical Concept that was 9 provided to the Joint Venture and other bidders as do 10 this when you respond with your proposal. The RFP 11 contract documents also include part two of the RFP, 12 part three of the RFP, and the proposal as accepted by the Joint Venture among other documents. 13

14 The interesting thing is the State's claims, and the 15 only real paragraph that alleges any facts is paragraph 16 165, are all inconsistent with the contract terms, and 17 for that reason they can be disregarded. The Base 18 Technical Concept defines the scope, and I'm now 19 referring to Exhibit 3, which is the RFP part one on page 20 The Joint Venture as well as the other bidders were 12. 21 required to follow the BTC. The language is mandatory. 2.2 It says -- first of all, the general description of the 23 Base Technical Concept is the major features of the BTC 24 design are as follows, and number three is the 25 rehabilitation of the Washington bridge number 700. So

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there wasn't an option to provide a design from a random bridge. That is not what the State asked for. It asked for it to be rehabilitated. And further it goes on to say the documents submitted by a proposer shall be based upon the BTC, shall be, mandatory, must. All proposals shall meet the requirements of the RFP and incorporate the BTC without any exceptions to or deviations from the BTC.

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9 Now, I know the State is taking the position in 10 their objections that we didn't have to file a BTC, but 11 that language is mandatory. And can you imagine -- can 12 you even imagine if we hadn't followed the BTC and we 13 found the inconsistencies with the structural integrity 14 of the bridge later on, they would be saying you must 15 You should have followed the BTC. You had to. follow. 16 It's mandatory. Instead, we followed the BTC and now 17 it's, oh, you shouldn't have followed that. So you can't 18 make an argument or plead the facts to plea a claim which 19 is inconsistent with the contract which you signed with 20 us that told us what to do.

Importantly, the scope of work under Section 3.13.1, which is in Exhibit Number 1, which is part two of the RFP, on page 45 it says, "The general scope of the work shall include the following anticipated work included in the BTC." And the first item is rehabilitation widening

Washington bridge north 700. Shall. Mandatory. 1 2 Now, it's important to note that the Joint Venture 3 had no role in the preparation of the BTC. The State 4 accept the Joint Venture's proposal, which advanced the 5 BTC from it's roughly 30 percent design or so to the 6 final drawings as required to show the 25-year design 7 life. That was all absolutely part of what we performed 8 as the Joint Venture constructor. And it was only after 9 the closure and after the extraordinary investigation that happened after the closure that everyone found out 10 11 for the very first time that this bridge could not be 12 rehabilitated and needed to be demolished and replaced, 13 which is why the State determined to terminate our 14 contract for convenience. It did not ask us to come up 15 with a new redesign under the Base Technical Concept 16 because the Base Technical Concept was no longer 17 feasible. As stated in the papers, whether it's a case 18 of mutual mistake, or possibility, or failure of 19 consideration, clearly this type of damage was not 20 contemplated by the parties when they entered into the 21 contract.

Now, it's important for the Court to consider the terms of the agreement under the *Spearin* document. We talked about that a little bit in our reply, but *Spearin* is very important, especially in this case. *Spearin* is a

1 United States Supreme Court case from 1918. It has been 2 adopted pretty much throughout the country. Unfortunately, in Rhode Island it's only adopted in an 3 4 unpublished case. In that case the contractor, whose 5 name is Spearin, was conducting a dry dock and following 6 government plans and it turned out there was a dam that 7 crossed where the contractor was supposed to perform its 8 They couldn't proceed because the dam made it work. 9 unfeasible so the government terminated the contract. 10 Sounds familiar so far. Spearin sued for contract 11 balance and lost profit, and the U.S. Supreme Court said, 12 "The contractor is required to follow the plans and 13 specifications. There is an implied warranty that it 14 will work." Sounds like fundamental fairness.

15 The Rhode Island -- I should say District Court 16 adopted the Spearin doctrine in the Fanning case, which 17 we cited to the court as well in our reply, and that 18 recognized Spearin as the majority rule across the United 19 States. If the contractor follows the plans and 20 specifications, that contractor is not responsible for 21 the result. That's been the law of the land for a very 2.2 long time. Here, J.V. is entitled to rely on that Base 23 Technical Concept. The fact that the Base Technical 24 Concept couldn't be accomplished is not J.V.'s 25 responsibility. That falls upon the contractor entity

known as the State of Rhode Island.

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2 So the pleading fails because the State can't 3 contradict the terms of its own agreement, and that's the 4 Fuller Mill Realty case and the Chase case, which we 5 cited in our papers. The contract documents simply don't 6 support the State's case as written in paragraph 165. In 7 fact, those obligations in paragraph 165 are mirrored in 8 the cause of action against AECOM. They don't appear 9 anywhere in our contract. There are no conceivable facts consistent with those contract terms that were provided 10 11 in the requesting relief. When there is an unambiguous 12 contract, the terms are to be applied as written. That's 13 the Fuller case at 383. If the plain language of the 14 contract doesn't support the claim, dismissal is 15 That's the Chase case under F974. warranted.

16 Here, the amendment isn't possible because the 17 timing issue can't be overcome. There are no prior 18 reports included GPR in the current testing of the 19 The post-closure GPR disclosed the true bridge. 20 condition of the pendants and that lead to the decision 21 to terminate the rehabilitation project, demolish, and 2.2 rebuild, and all of those decisions were made by the 23 State on its own with these new engineering firms that 24 they retained. There is no possible set of facts that 25 implicate the J.V. work done prior to the GPR. That was

1 new information. Unless perhaps they can allege that my 2 client has x-ray vision, then I would say perhaps there 3 is a cause of action. But until that x-ray was performed 4 on those beams, no one knew the true condition. 5 So to summarize, your Honor, the breach of contract, 6 the Joint Venture is being sued for work that it wasn't 7 asked to perform. The contract documents are controlling 8 and the allegations contradict the contract and should be 9 disregarded. Thank you. 10 THE COURT: Thank you very much. Would any of the 11 other Defendants that have contract claims against them 12 like to be heard? Okay. Very good. 13 MR. BLESSINGTON: Hello again, your Honor. John 14 Blessington on behalf of Jacobs. Your Honor, so again 15 we're asking that Count XVIII be dismissed. It's a 16 breach of contract claim. Our first beef with the claim, 17 your Honor, is that it does not identify the contract 18 other than to say that there was a 2019 inspection 19 contract. Now, we're aware of purchase orders and 20 proposals, but we're not aware of what the contract they're asking is actually referring to. At a minimum 21 2.2 if we're talking in terms of notice, in order for us to 23 fairly put up a defense, they should be required to 24 identify the contract, more specifically, the provisions 25 they're alleging that we breached. It's not much of an

ask, your Honor, given especially the amount of damages they're seeking.

3 Also by way of background, your Honor, a little bit, 4 for context. Jacobs did one inspection. That was in 5 2021. That was it. There are no allegations that 6 anything they did in the inspection caused any of the 7 damages that's part of the problem. Yet, here we find 8 I would also add, your Honor, that we have ourselves. 9 only been mentioned once in the fact section of a 43-page 10 complaint. They take exception, your Honor, with the fact we attached or referred to two documents in our 11 12 motion to dismiss and the reply. Those are the 13 inspection reports itself as a grant application. Both 14 meet the exception, the limited exception, that the Court 15 recognizes without converting to a motion for summary 16 judgment. The grant application is clearly a public 17 record. And as per the inspection report itself, I mean 18 talk about slicing the salami awfully thin. They argue 19 that, well, they're not stating that there was anything 20 that breached the inspection report but that we breached 21 the inspection contract. But in doing so, they're saying 2.2 that the contract itself was breached by what we put in 23 the report. So to me, it's a distinction without a 24 difference, your Honor.

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For all intents and purposes, it's part and parcel

1 of the complaint and it's referenced in the complaint, 2 which gets me to the last point, your Honor, which is 3 that they take exception with the fact that we use the 4 term poor as being vague. Now, again, that's a term that 5 is required by the Federal Highway and the National 6 Bridge Inspection Standards and also their own manual. 7 That's basically the lowest we can go. And to claim that 8 somehow they were not put on notice that there were 9 issues with this bridge, when again they submitted a 10 federal grant two years prior to when we performed our 11 inspection in which they acknowledged that the bridge is 12 in very bad shape, and then our inspection report is two 13 and a half years before they actually closed the bridge. 14 How could Jacobs legally be liable or how that report 15 somehow caused the proximate harm to the State. That's 16 pretty much it, your Honor, unless you have have any 17 questions. 18 Thank you very much, counsel. THE COURT: No.

THE COURT: No. Thank you very much, counsel. MR. BLESSINGTON: Thank you.

20THE COURT: Any other Defendant wish to be heard?21Hearing none, the State may be heard. Good morning.

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22 MR. TORIC: Good morning, your Honor. Adnan Toric 23 on behalf of the State of Rhode Island. Your Honor, the 24 arguments related to the State's breach of contract claim 25 really boil down to two questions. One, does the State have to allege breach of a specific contractural provision to adequately allege a breach of contract claim? And, two, to what level of specificity do the damages have to be tied to that breach of contract claim as to each Defendant? The State's position is that, one, it need not allege breach of a specific contractural provision, and, two that it has adequately alleged damages stemming from each of the Defendant's breach of this contract.

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10 Now, there has been some question on what is breach 11 of contract in Rhode Island. I'm sure your Honor knows, 12 but just to make sure we're on the same page, the Fogarty 13 case, which is a Rhode Island Supreme Court case, is 14 pretty straightforward. The elements of breach of 15 contract claim are, one, the existence of a contract, 16 which no one really disputes here. At best, you're 17 getting from Jacobs that they don't know which contract 18 we're referring to. Two, that the contract had been 19 breached. And, three, the damages have to flow from that 20 breach of the contract. Fair enough.

21 On the first point, on the breach, the State does 22 not have to allege breach of a specific contractural 23 provision. It just has to in the notice pleading 24 standard provide fair and adequate notice of the claim 25 under which the State plans to proceed under any set of conceivable facts, which you previously referenced in the *CharterCare* case. That's your Honor's own opinion. Any set of conceivable facts, as previously discussed by Mr. Provazza and the other attorneys here, is a lower pleading standard. Conceivability just lends itself to is it something that could potentially happen? Is it conceivable in the world that if someone breaches their contract that these alleged damages are going to stem from that breach?

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10 Now, interestingly Hexagon Holdings came up a lot in 11 the negligence section of this argument, but no one is 12 talking about it now in the breach of contract context 13 even though it's really the only Rhode Island Supreme 14 Court case or Rhode Island case law. And the Rhode 15 Island Supreme Court in that case says that the Plaintiff 16 has sufficiently alleged beach of contract under a 17 third-party beneficiary contract theory, even though, and 18 this is very important, the Plaintiff didn't even 19 reference the contract in the complaint, must less a 20 provision. Because the Plaintiff referenced the 21 transaction for which the breach of contract claim was 2.2 proceeding, that was sufficient. And the Court made 23 clear under the notice pleading standard, the Plaintiff 24 need not proceed under the specific facts alleged in the 25 complaint or the legal theory alleged in the complaint.

We just have to provide fair and adequate notice.

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So the buck stops with *Hexagon Holdings*. You can look and see that all we have to do is give them the notice of the transaction in relation to the breaches occurred. We don't have to site specific contractural agreement. Even if you look at the case law cited by the Defendants, let's start with Jacobs. Jacobs cites to a lot federal juris prudence saying you've got to rely on a specific contractural provision. One, those aren't binding on this Court. Jacobs acknowledges that in the reply.

12 And, two, the only case they rely on in this 13 jurisdiction is Burt v. Board of Trustee and The 14 University of Rhode Island, and that's a District of 15 Rhode Island case, again applying the federal pleadings 16 standard. Even if that case were to apply here because 17 it's a District of Rhode Island case, if you look to the 18 language in Burt, which is cited by Jacobs and the Joint 19 Venture, and AECOM does not cite to any precedent on 20 contractural provision, it's saying that Plaintiff must 21 describe with substantial certainty the contractural 2.2 promise breached. It's not saying specific contractural 23 provision. It's saying a promise, which the State would 24 argue is in line with what *Hexagon* is saying. You need 25 to reference the promise, the transaction, that underlies the breach of contract claim.

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And in that case the issue the Court took with 2 3 Plaintiff's allegations were they relied on generally 4 University statements about the differences between 5 in-person and online tuition and the quality of the 6 programs and advertisement and brochures. So the 7 Plaintiffs were struggling when they were suing the 8 University to actually provide a contract, a contractural 9 promise other than general advertising or statements by 10 the University or just distinctions made on line about 11 the difference between online degree programs and 12 in-person programs.

13 Here, we have formalized the contract. Clearly the 14 promises were based on the allegations in the complaint. 15 So even if your Honor were to rely on Burt as the choice 16 of authority from the District of Rhode Island, we still 17 meet that burden by alleging facts in the complaint. For 18 example, I think these allegations both meet the 19 transactional requirement under *Hexagon* or let's see say 20 the higher pleading standard under Burt for a 21 contractural promise. If you look at paragraph 157 in 2.2 the complaint, we allege that Jacobs failed under the 23 inspection contract to research and review the file for 24 the bridge, to research and review the plans for the 25 bridge, to adequately conduct an inspection or recommend

needed repairs, and that is a clear contractural promise that is being referenced that was breached that puts them on notice of the transaction that we're talking about an inspection and where they failed to do that inspection. That is sufficient to allege the breach.

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6 As to AECOM if you look at paragraph 98, similar 7 allegations, sure. But it says that AECOM, and it lists 8 an example, research and review the file, evaluate the 9 bridge, report its evaluation to the State, and recommend 10 necessary repairs. And even more so, if you look at 11 paragraph 52, it says the contract between AECOM and the 12 State specifically requires AECOM to look at previous 13 inspections. That was a specific contractural promise 14 that the State alleges was breached by AECOM when it 15 failed to look at those inspection reports.

16 And then for the Joint Venture, paragraph 165 17 alleges that the Joint Venture failed to again review the 18 bridge's previous inspections and its file and recommend 19 repairs as necessary. But also importantly with the 20 Joint Venture, if you look at paragraphs 80 and 81 of the complaint, it discusses the necessity of the minimum 21 2.2 25-year design life of the bridge, and it says that the 23 Joint Venture was obligated to repair, notice, and tell 24 the State about the cracks in the concrete and seal those 25 cracks that ultimately lead to the bridge's failure.

That, again, those specific contractural promises, that transaction, those obligations that are in the complaint referenced as being breached that's sufficient to put the employees on notice that there's been a breach. Mr. Blease doesn't talk about those specific provisions at all, even within the State's papers and the records in the complaint itself. He focuses on the Base Technical Concept.

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9 Another point on that is if you look at the briefing 10 by the Joint Venture, Mr. Blease discussed Chariho and 11 Importantly, those cases say if you look to the Fuller. 12 plain language of the contract and go -- and the Court 13 should do so. It also says if there is any ambiguity as 14 to the interpretation of that concept, then you can't and 15 a motion to dismiss would be inappropriate to be granted 16 because there is ambiguity. Here, if you look at the 17 contract that the Joint Venture has attached, we're 18 citing to different provisions. They're saying we needed 19 to follow the Base Technical Concept. We're saying, 20 well, no, the Joint Venture actually proposed an 21 Alternate Technical Concept, the ATC, and also had to 2.2 propose its own design in that way, but it still accorded 23 with the Base Technical Concept but it couldn't bear it 24 as long as it followed those technical requirements. 25 We're also citing different provisions saying you

need a new design life of 25 years and the Joint Venture was also obligated under the contract to repair cracks in the concrete and seal those issues, et cetera. Those are competing contractural provisions that require interpretation. Just based on that, that's an independent reason to deny their motion to dismiss because if you did look at the contract, which we don't actually think you should, but even if you did, there are competing interpretations of what should be considered by the Court. Therefore, a motion to dismiss on that count would be inappropriate.

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12 Next, as to causation, the State's position is that 13 it has sufficiently alleged that each Defendant's conduct 14 breached, caused its damages under the conceivability 15 standard. Now, the key language there is conceivability. 16 Is it conceivable based on the allegations in the 17 complaint that the things alleged, assuming they're true, 18 under the pleading standard because that is the standard 19 that those damages would flow from that breach. Let's 20 look at AECOM. As the State says in its papers, AECOM 21 failed repeatedly to identify critical structural issues 2.2 of the bridge over multiple contracts. It inspected the 23 bridge more than other other defendant in this case and 24 not once did it bring up some of these very important 25 issues that ultimately led to the demolition of the

bridge, shutdown of the bridge. It's very logical under the conceivability standard that that would lead to the property damage, economic loss, et cetera. From a consumability perspective it's very straightforward.

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5 AECOM relies on a bunch of New York cases to say we 6 have to link causation with specific facts, et cetera. 7 Those aren't binding, and then it relies on *Petrarca*, 8 which is another Rhode Island Supreme Court case, but 9 that's a motion for summary judgment case in which the 10 Court held that the Plaintiff didn't sufficiently prove 11 damages as it relates to the contract breach, not 12 alleged. That's a completely different standard that 13 requires evidence, weighing that evidence. Something 14 that hasn't happened here.

15 Jacobs, same arguments made. They failed to 16 inspect. Sure they conducted one inspection but that was 17 an inspection that was contracted for and paid for by 18 taxpayer dollars. It's very plausible to think if they 19 failed to conduct an inspection as it relates to what was 20 obligated in the contract, that the damages of the bridge 21 being unrepairable or not being repaired soon enough or 2.2 eventually being unsalvageable would flow from that 23 breach.

Joint Venture doesn't explicitly make this argument, but the Joint Venture was also on notice that its failure to conduct concrete repairs or report issues, the things that we previously just talked about, are a breach of this contract and are causally linked to the bridge failure. If we are alleging voids in the grout and a bunch of concrete in the post tensioning system, the Joint Venture is responsible for addressing those things. It flows that that ultimately can lead to the bridge being unsalvageable or money being wasted on trying to repair it. People should have noticed sooner that there were issues with the bridge that they didn't report. That covers the substance of the contract claim.

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12 The only other argument I would like to address is 13 the documents external to the complaint that I 14 referenced. It seems clear that all parties agree that 15 generally those documents weren't considered unless 16 they're explicitly referenced in the complaint or relied 17 upon or the allegations in the complaint expressly relied 18 upon the concept of the documents. Then there's the 19 alternative argument of judicial notice and whether or 20 not something is an official public record. What is 21 important in the judicial notice concept, which is not 2.2 being talked about by the defense is, it's for official 23 public records. For example, under Rhode Island Rule of 24 Evidence 201, things that aren't reasonably up to 25 dispute. It's for factual premises. For example, the

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sky is blue or we're located in Rhode Island right now. It's not those things that are matters of opinion. The cases cited on the premises corroborate that argument.

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4 If you look at *Goodrow*, which is a Rhode Island 5 Supreme Court case, it makes a distinction between based 6 on a court docket. It says that not everything on the 7 docket is something you can take judicial notice of. 8 It's final judgments or pleadings, things that constitute 9 admissions. Those are the things that are appropriate 10 for the Court to take judicial notice of, and then if you 11 look at what *Goodrow* is relying on, it's *Freeman*. It's a 12 First Circuit case. And even more there the First 13 Circuit makes a lot of nuances in the judicial notice 14 concept that in that case the Plaintiff referred to 15 depositions that took place. The Defendants tried to 16 bring in deposition excerpts of those things referenced 17 in the complaint and the Court held, no, you can't do 18 that because the excerpts themselves had nothing to do 19 with the things referenced in the complaint, right? So 20 just because something is referred to does not mean it's 21 something that's adequately something that should be 2.2 taken judicial notice of. It has to actually relate to 23 the matter.

And the Court goes on make a distinction between 911 call transcripts and police reports saying that those are things that are not appropriate to take judicial notice of because they state opinions. They state things that aren't factual, like the example the Court gives of something that wouldn't appropriately be judicial notice of, birth or death certificates, which are official records of vital statistics that don't lack judicial reliability. I think that's a very important framework to discuss the admissibility of these documents and how they should be considered at a motion to dismiss stage, specifically to Jacobs and the Joint Venture.

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11 And one last point, the Wells Fargo case, the 38 12 Studios case, that Mr. Provazza talked about, there is a 13 key distinction there from Judge Silverstein too in which 14 he says he didn't allow the EDC to bring in its financial 15 statements at the motion to dismiss stage because they 16 were up to a reasonable dispute. Even though they 17 contain financial statements, the contents therein could 18 be questioned, but he did allow judicial notice of Rhode 19 Island public laws, which accords with exactly the 20 framework that I'm talking about, things that are public 21 record that come in because they're things that aren't up 2.2 for dispute.

23 With that framework in mind, let's discuss Jacobs. 24 Now, Jacobs in its reply says that it's not a public 25 record. The State goes much further than that and says

1 it's not a public record just because it's maintained on 2 the public website. Just like in Goodrow, just because 3 it's on the court docket, doesn't mean it comes in. So 4 the inspection report doesn't come in as a public record 5 because it's filled out by Jacobs. It's arguably a self-serving document. 6 It doesn't come in either as 7 something relied upon explicitly in the complaint. It's 8 just referenced in the complaint. It's something like 9 the deposition excerpts in *Freeman*, where it's something 10 that's said, but it's relating to a breach of contract claim against Jacobs. It's not a negligence claim 11 12 against Jacobs. It's just saying they had to do an 13 inspection under this contract. It's just being 14 referenced. It's not saying this is the totality of what 15 the claim is contingent upon.

16 It may be helpful evidence to see what Jacobs did in 17 its inspection. Even if you look at the report, it's filled with numbers and technical terms, things that are 18 19 required in factfinding discovery, but wouldn't on its 20 own be dispositive just because Jacobs uses the term poor 21 condition. We have no idea what Jacobs underwent in its 2.2 actual inspection to figure out what poor condition 23 meant. Interestingly, Jacobs cites to the fact that in 24 its reply from 2007 to 2021 all the same rates were given to the sub-contractor. That doesn't necessarily mean that 25

Jacobs did a good job, it means it did a bad job or it 1 2 could even mean that Jacobs was reincorporating the 3 findings of these other people without necessarily 4 validating these findings. Those are just factual 5 questions that have to be developed here. And it's not 6 appropriate for the Court to just take those findings in 7 Jacobs' report and apply them to the complaint. 8 THE COURT: Back to the contract itself issue, just 9 help me understand why that isn't sufficiently referenced 10 when it's making allegations in terms of breach of 11 contract. I understand you're argument on the inspection 12 report and some of the others, but the contract itself. 13 MR. TORIC: Jacobs' contract? 14 THE COURT: Yes. 15 MR. TORIC: So Jacobs' contract if it was the authentic document and it was attached to the motion, 16 17 which it's not, could arguably be something that would be 18 considered. 19 THE COURT: You're just saying they didn't hit the 20 right steps to get there for the Court to even reach that 21 issue? 2.2 MR. TORIC: Yeah, Jacobs did not even attach its 23 contract. It's a just a matter of when the inspections 24 report came in. If Jacobs had done so, there could be an

argument as to whether that contract was authenticated.

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1	And if it was authenticated, arguably, yes, the State's
2	claims do rely on breach of that contract.
3	THE COURT: Thank you.
4	MR. TORIC: And then the State grant application
5	previously referenced, I mean, that isn't referred to in
6	the complaint at all. It doesn't come in under any of
7	those two exceptions. The closer argument is whether
8	it's a public record. When you look at the statement
9	Jacobs is relying on, the bridge was in a near permanent
10	state of disrepair. If Jacobs is going to take the
11	position that the term poor is ambiguous, and could mean
12	different things, then this phrase also could mean a lot
13	of different things. Furthermore, it's not a birth
14	certificate or a death certificate. It includes an
15	opinion, like a 911 transcript or a death certificate.
16	I'm sorry, like a 911 transcript or a police report.
17	For that reason, it's a matter of being it's not
18	something that just states a fact. It doesn't need to be
19	considered by the Court in deciding the motion to
20	dismiss.
21	And then as to the Joint Venture, it's unclear if
22	the contract attached as exhibits to the Joint Venture's

the contract attached as exhibits to the Joint Venture's motion are the authenticated documents. Because even if you look at Joint Venture's motion, its brief, one of the excerpts says all the documents referenced, the RFP

reports, all addenda, all other documents also requires factfinding as to what totally encompasses the contract. So it's debatable whether that contract is authenticated and should be considered. It's seven or 600 pages of the contract documents and it could be more. So even if the Court were to look at that contract, the State believes that it's adequately addressed in competing provisions under a motion to dismiss standard and incorporated to 9 adjudicate, just competing interpretations of what Joint 10 Venture's obligations were.

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11 As to the Defendant's arguments just raised, Mr. 12 Prosen makes the argument that there was no notice of 13 default or notice to cure. Those arguments aren't made 14 Ι in their briefing. Those are brand new arguments. 15 don't think those should be considered. But even so, 16 that would require discovery as well as to when those 17 notices were issued or any conversations surrounding 18 Just because it's not factually alleged in the those. 19 complaint, does not mean that it did not happen.

20 As to the Joint Venture, I think a lot of the 21 arguments were addressed in what I just said. 2.2 Importantly, Mr. Blease makes a lot of argument around 23 the Base Technical Concept. It's important to consider 24 that the Joint Venture could pursue an Alternate 25 Technical Concept. It did so. It submitted those plans. It was liable for concrete repair, sealing concrete, we've alleged voids in the grout. That's an independent reason outside of those technical concepts to consider these competing provisions.

5 As to the Spearin doctrine, now in that case, the 6 premise is that the contractor follows the specifications 7 of the contracting party. Then if there is an implied 8 warranty, they've essentially lived up to its part. Here, 9 we're saying they didn't follow the specification, the 10 alternate specification. Alternatively, they failed to 11 repair the concrete as required by the contract. They 12 fail to recommend necessary repairs. They failed to 13 value the bridge. There are things they did not do and 14 they did not live up to the design as promulgated by the 15 I think that covers everything, unless your Honor State. 16 has questions.

THE COURT: No, thank you very much.

18 MR. TORIC: Absolutely.

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19 THE COURT: We'll go back to the Defendant.

20 MR. PROSEN: Lawrence Prosen for AECOM. I'm going 21 to jump around a little bit, your Honor, try to be as 22 pinpoint as possible. I'm going to start with the last 23 item that counsel talked about regarding the JV contract. 24 Part of the allegations are that AECOM as a designer 25 provided some sort of design that were, my term, bridging documents but that were given to the JV, and the JV used those designs. It's not in the brief and it's not in the complaint. In fact, the first time it was raised was just now. JV had a separate design. If that's the case and it didn't follow AECOM's design, then how is AECOM on the hook for those result of damages?

7 Secondly, the elements that were discussed by 8 counsel were from a breach of contract action, contract 9 breach and damage. Causation is not mentioned anywhere 10 in there. I bring that to the Court's attention. And, 11 interestingly enough, and I appreciate counsel pointing 12 to various provisions in the complaint, and he referenced 13 -- bear with me for a second here, your Honor, paragraph 14 52 at page 13, and it talks about the initial 2014 15 contract where AECOM did some design services for the 16 State. Again, this is all under the guides that somehow 17 AECOM or the inspectors or any of the Defendants are in 18 this black box and the State has no cognitive ability 19 apparently to review these documents and provide feedback 20 or discussions or whatever the case may be or acceptance. 21 Again, it's an allegation that the inspection reports had 2.2 any problem with them at the time. In fact, it's all 23 post-talk allegations at best after the bridge is 24 discovered to have the problems.

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But in paragraph 61 to 65 the complaint talks about

AECOM inspecting the bridge and transmitting the 1 2 evaluation report back in 2015. This is on the 2014 3 contract. There's some allegations under subsections F 4 and G, and then under H, which is paragraphs 66 and 67, 5 it's entitled the Cardi, C-A-R-DI, Corporation Contract. 6 And it states that on, I'm paraphrasing, "January 30th, 7 2017 the State and Cardi entered into a contract to 8 perform construction on the 2016 Rehabilitation 9 contract," and that the design and plans of AECOM and its 10 subconsultants were involved in that.

Paragraph 67 states, "As a result of Cardi Corporation's work adhering to the traffic management requirements, for which AECOM was responsible, unacceptable levels of traffic, congestion, and delays resulted. Consequently, the contract was terminated."

So little, if any, work was done under that 16 17 contract. And I would argue, your Honor, and it is a new 18 argument based on multiple defendants today and citations 19 that with that contract being terminated whatever work 20 AECOM may or may not have done in 2014 and 2015 is of no 21 The agency agreed and voluntarily cancelled or affect. 2.2 terminated that contract in its sort of frustration, I 23 think, your Honor.

And, lastly, your Honor, there is discussions of allegations and, yes, your Honor has to take those as

1 pled. There is no allegations that anything in AECOM's 2 scope of contract, and counsel is talking about pockets 3 inside the beams and corroded tendons, which it, you 4 know, referenced. There is nothing in the record, 5 nothing, nothing in the allegations that describes 6 AECOM's contract as having any ability for performing the 7 work, which I mentioned before, of either GPR, ground 8 penetrating radar, or x-raying or digging, cutting out 9 portions of these beams to see what the actual condition was, and to me that ties in to causation. You have to 10 11 have a breach. You can allege there is a breach, but you 12 have to have more than just saying you breached a 13 contract. I don't think that serves judicial economy. Ι 14 don't think that's the intention behind motion pleading, 15 your Honor, and as a result we would ask the Court to 16 grant our motion to dismiss. I already cited the 17 different counts, your Honor. Thank you. 18 THE COURT: Thank you very much, counsel. 19 MR. BLEASE: Your Honor, Jeff Blease again for 20 Barletta and the Joint Venture. I will be brief but I 21 did want clear up a couple of things that have been 2.2 spoken to. I did have a little difficulty hearing 23 counsel, so if I heard something differently, let me 24 know. 25 I think the first point was any set of conceivable

facts for pleading motions, and I would agree with that except it's inconsistent with the contract because that's the Chase case which we cited earlier. I believe that the jump cite is 970. Paragraph 165 is, in fact, inconsistent with the contract terms. We weren't required to do what was listed there. That's the first point.

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Secondly, the reason why "shall" is so important is because conveniently it's no longer mandatory that we follow the BTC. But at the time our proposal was submitted it was one hundred percent mandatory, which is, of course, set forth in the RFP that I described or cited from earlier. It gets more confusing when folks start talking about the ATC.

14 So let me talk a little about what that Alternate 15 Technical Concept was. What was presented to the 16 proposers in the RFP was one way to rehabilitate 17 Washington bridge. But if you have a better way with 18 regard to any subcategory of the work that is being 19 performed, let us know by submitting what's called an 20 Alternate Technical Concept. And if the State reviewed 21 that and if they agree with that, that's a better way to 2.2 proceed. They'll incorporate that in the BTC. So that's what happened with this tie down of pier number four. We 23 24 put the diagram in our papers. It's probably easier to 25 view as a diagram than it is to express in words. But

there was a new tie down proposed at pier number four. That was part of the BTC. What my client said was why would you want to do another tie down at pier number four? So we proposed an alternative that would basically eliminate the proposed new tie down. It had nothing to do with the tie downs at piers six and seven. And the reason that's important is because the State keeps equating our APC on pier number four, which eliminated the new tie down with the existing tie down of six and seven, which were not addressed in the BTC. That is a critical distinction.

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12 So, again, we're being accused of doing work that we 13 weren't required to do. We're being accused of breaching 14 a contract that we followed fully, and the same thing 15 with the voids in the grout. We can generalize and say 16 there were voids in the grout that need to be addressed. 17 Of course, they were in our proposal. Those were the 18 ones that the inspection reports cover that could be 19 The reason why the decision was ultimately made to seen. 20 be demolished and build a new bridge is because of the 21 void that couldn't be seen and that information was not 2.2 available until March, 2024 report came out from DOT, 23 based on the DM report that is outside of the record for 24 purposes of this pleading. However, I raise that to the 25 Court simply because amendment will be futile because the true facts will not support a breach of contract claim against my client.

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3 I think the last point I would make, your Honor, is 4 just a simple one. That under Spearin, we have a right 5 to rely on those contract documents. We have a right to 6 rely on the BTC. It was a mandatory provision to us. So those are the terms and conditions we should be held to 7 8 and that's in the contract. By the way, this is the 9 first time I've had to sue for breach of contract where 10 the contract wasn't part of the pleading or attached. 11 Being criticized for not attaching the entire contract to 12 my opposition is a new one. However, I will note for the 13 Court that we did not include each and every section of 14 the documents because it is voluminous. We ultimately 15 included an attachment and provided to the Court those 16 provisions that we were citing in our papers. 17 THE COURT: Thank you very much. Counsel.

18 MR. BLESSINGTON: Thank you, your Honor. Just a few
19 points in response to the State's argument.

20THE COURT: Just so the court reporter can get it,21if you could just put your name and who you represent.

22 MR. BLESSINGTON: I'm sorry. John Blessington 23 again for Jacobs Engineerig.

THE COURT: Thank you.

25 MR. BLESSINGTON: First, Plaintiff's counsel

referred to Goodrow v. Bank of America for the standard 1 2 that these are the exceptions, if you will, to when the 3 Court may look to documents outside of the four corners 4 of the complaint. To quote his first document the 5 authenticity of which are not disputed by the parties, 6 are official public records, are documents central to 7 Plaintiff's claim or for documents sufficiently referred 8 to in the complaint. Plaintiff's counsel argues that 9 because it's not attached, therefore, we can't rely upon 10 it, but actually the standard in the cases they actually 11 cite is a little broader than that. If the allegations 12 in the complaint are expressly linked to and admittedly 13 depend on the document, the Court may consider it without 14 converting to a motion for summary judgment. That's what 15 we're arguing here. That's number one.

16 Number two, in the context of the Hexagon case, 17 which Plaintiff's counsel referred to and pointed out 18 that we did not officially attach or refer to the 19 complaint in the third-party claim. The distinction 20 there, your Honor, is Plaintiff's counsel again talks in 21 terms of notice of the transaction, if you will, was 2.2 enough, and then also spoke in terms of promise. That is exactly what we're asking for here. What's the promise? 23 24 They refer to paragraph 157 in the complaint. That's the 25 breach, but what's the promise that we breached? That's

what we don't know, and I think again it's not much of an ask given what they're asking for by way of damages and alleging.

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4 Lastly, your Honor, this gets a little bit into the 5 standard. We're going a little bit back to what 6 constitutes property damage but also in the context of 7 breach of contract. Again, this is a point that both Mr. 8 Blease and Mr. Prosen pointed out, specifically, Mr. 9 Blease, but if you could simply just say, hey, it was a 10 contract, we breached it, and there were damages, you 11 could never get past a 12(b)6 and you could never file a 12 12(b)6. What belies that, there's plenty of case law out 13 there that the Court should not accept or adopt anything 14 like conclusory or bald assertions. And we would argue 15 that something like there was a contract, that's a bald 16 assertion. There was property damage, that's a 17 conclusory allegation. There's got to be more than that. That's what John Doe v. East Greenwich School Department 18 19 and the Palazzo case affirming dismissal of the claim 20 because the Plaintiff's complaint only contain 21 unsupported and conclusory allegations. That's what 2.2 we're arguing here, your Honor. Do you have any 23 questions? 24 No. Thank you very much. THE COURT:

25 MR. BLESSINGTON: Thank you you very much.

THE COURT: Are there any other Defendants that were heard on the motion that wish to be heard at this point? Okay. Hearing none, we're going to move on to arguments related to contractural indemnity, non-contractural indemnity, and contribution. Counsel for the Defendant, you may proceed.

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7 MR. PROSEN: Lawrence Prosen again for AECOM. Your 8 Honor, Count XVII is a contractural indemnity clause and 9 I hope I cover it all for the most part. The others can 10 just sort of jump on and off board, but the indemnity 11 action in this case, it's contractural indemnity is how 12 it's styled. It seeks indemnity for the first-party 13 economic loss. It's not third-party economic loss. 14 Frankly, I think all the arguments have been well briefed 15 so I'm going to try to keep things as short as possible.

16 Indemnification by its very nature is seeking 17 recovery from one party for damages that in this case the 18 State claims it will have to -- well, it should have paid 19 and it's seeking recovery from a third party. The State 20 now in its reply brief and its complaint cites to 220 21 Rhode Island Code of Regulation, 30-00-13.21A and that is 2.2 an indemnification clause. It's cited in the briefs, and 23 from our plain reading of it, and, obviously, the Court 24 will do its statutory and regulatory interpretation 25 says, "The vendor," we'll just call that Defendants for

purposes of this, "Shall defend, indemnify, release, and hold harmless the State and its agencies together with their respective officers, agents, and employees from and against any and all third-party claims demands, liabilities, causes of action, lawsuits, damages, judgments, and other costs and expenses arising out of or related to."

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8 I'm sure as your Honor read the clause, it comes 9 down to third party. Our reading is third party 10 modifies. There is no comma between thirty party and 11 claims or demands. It's third-party claims demands, so 12 forth and so on. It's conjunctive. So from our reading 13 and, again, hopefully your reading, your Honor, the language is limited upon third-party claims, demands, and 14 15 the like. There are none here. There are none. And in 16 the reply brief they said it's speculative. It may 17 happen at some point in the future.

18 The counts, as I mentioned earlier, is also 19 derivative of the State's negligence action and this will 20 again tie into the Economic Loss Doctrine argument that you heard before. The complaint on what, if any, claims 21 2.2 any third party may or may not have at some point in the 23 future. Like I said, at page 56 to their opposition they 24 acknowledge that third-party claims may be asserted 25 against the State.

Again, without getting into the notice side of things, I think the language is quite clear and the allegations or lack thereof scream quite loudly. The State has not paid any damages to any third parties. My understand is that typically indemnity has to happen or can be claimed typically only after in this case the State has paid it off to third-party liability.

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8 The A & B Construction v. Atlas Roofing case, which 9 is a U.S. District Court, Rhode Island, '94 case, 10 867 F.Supp. 100 at page 105 says, "Indemnity may arise 11 when one party, quote, has conferred a benefit upon 12 another as when it is compelled to discharge a legal 13 obligation to a third."

Muldowney v. Weatherking Products, 509 A.2d 441, a 15 1986 Rhode Island Supreme Court states at page 443, "If another party has been compelled to pay damages," 17 compelled, meaning I've already done it, "that should 18 have been paid by the wrongdoer," we're not admitting 19 we're a wrongdoer, of course, but "the latter becomes 20 liable to the former."

There have been no damages paid that we know of or alleged in the complaint by the State or any third parties. We're not aware of any claims even that have been alleged. Again, looking at that regulatory provision, we think that third parties -- there are none. So that clause has not been triggered. That condition precedent of a third-party claim, demand liability, cause of action, and the like would have to trigger and happen before that happened.

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From our perspective, your Honor, the contract indemnity provision in Count XVII -- first of all, the contract provision is not identified, not referenced, and then the regulatory provision doesn't apply. And as a result, we think Count XVII, your Honor, on a couple of different bases should be dismissed, your Honor. Any questions, your Honor?

THE COURT: No. Thank you very much.

13 MR. MELLADO: Good morning, your Honor. Christopher 14 Mellado for Barletta and the Joint Venture. May it 15 please the Court. I will be addressing Count XVII 16 through XX of the State's complaint. Count XVII, 17 contractural indemnity, Counts XVIII, XIX, XX 18 respectively are declaratory relief actions with respect 19 to the contractural indemnity, non-contractural 20 indemnity, as well as contribution. I'm going to start 21 first with Counts XIX and XX that are contractural in 2.2 nature.

THE COURT: Could you just try and speak into themicrophone.

MR. MELLADO: Sorry. Your Honor, I would also like

to get into areas that are not in dispute. The State in reading its objection to the Joint Venture's motion seemingly admits that to the extent that Joint Venture prevails on its motion to dismiss with respect to Count XV, Counts XVII and XVIII are derivative of such cause of action and should similarly fail. If your Honor is inclined to grant Joint Venture's motion with respect to Count XV, the State takes the position that XVII and XVIII have to go as well.

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Additionally, as Mr. Prosen pointed out, the Rhode 10 11 Island General Conditions of Purchase, sub 13.1 is 12 additionally incorporated to the Joint Venture's separate 13 contract. I'm not going to read the provision that Mr. 14 Prosen did, but the third-party language in that 15 provision is unequivocal. It is predicated and 16 conditioned upon third-party claims, losses, liabilities 17 here. We argue they're not present.

18 So, your Honor, with respect to Counts XVII and 19 XVIII, because they're derivative of the State's Count 20 XV, as Mr. Blease indicated earlier -- argued earlier, 21 that claim fails. Count XVII and XVIII additionally 2.2 fail. Likewise, the plain reading that we ask the Court 23 to engage in with respect to 13.1 adopt indemnification 24 of the Rhode Island Conditions of Purchase mandates this Court's dismissal of Counts XVII, XVIII. 25

1 Turning next, your Honor, to Counts XIX and XX, 2 these counts are not ripe for adjudication in accordance 3 with the Rhode Island Declaratory Judgment Act. Here, 4 the State takes the position that to the extent in the 5 future it may suffer some third-party claims, 6 liabilities, damages, losses, the State does not plead it 7 has actually incurred any of these acts. That's plain on 8 the face. They said, quote, in the future. And I'm 9 foreshadowing here, but they rely on the Fleetwood Boston 10 matter. It's an unpublished case for the support of 11 Counts XVIII and XIX respectively, all the declaratory 12 relief claims. Again, I'll foreshadow that in a moment, 13 but that case does not concern contribution. That case 14 does not concern non-contractural indemnity, and it's 15 limited only to declaratory relief for the contract.

16 As it relates to Count XIX specifically, the 17 non-contractural indemnity cause of action, the State 18 seemingly waives any arguments in defense of that cause 19 of action. The State takes the position with respect to 20 Joint Venture's allegations and more specifically the 21 Joint Venture laid out the elements for non-contractural 2.2 indemnity cause of action, which the first element reads, 23 "The party seeking indemnity must be liable to a third party," end quote, the Wampanoag Group, page 524. Again, 24 25 not addressed by the State. The state law states the

elements for a non-contractural indemnity claim and we argue today that they waived a response to that.

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3 Similarly, with Count XX, the State likewise glosses 4 over Count XX with respect to Joint Venture's argument. 5 Contribution in and of itself is not the original cause 6 of action. It is derivative of the underlying tort, an 7 underlying tort that we don't have today that the State 8 concedes may happen in the future. That is not enough. 9 The State may contend, and it likely will, the 10 reliability conceivability analysis that they recalled 11 this morning. What they're asking the Court to do though 12 is engage in compound conceivability, to read the words 13 in the future and then apply the conceivability analysis 14 to a future quote. That is not enough to pass muster on 15 the declaratory act.

16 With respect to the contribution being derivative of 17 underlying tort, we direct the Court to Franklin Grove 18 page 1277 for this proposition. And, your Honor, to 19 address specifically the State's position in its 20 briefing, again Counts XVIII, XIX, XX they cite to Fleet 21 Boston. Fleet Boston does not support the State's 2.2 Fleet Boston is widely distinguished from the claims. 23 facts we have here. By way of background, it's important 24 to understand that *Fleet Boston* concerned complicated 25 taxes between the Plaintiff and Defendant who submitted

separate tax filings and had different results that then 1 2 lead to an IRS audit of both of the parties, and there is 3 a subsequent parallel IRS ligation against the plaintiff 4 and Defendant, so there's an underlying action. The 5 plaintiff then sued for declaratory relief, sued the 6 defendant, requesting indemnification pursuant to the 7 plaintiff and defendant's contract. And paramount in 8 that matter was the Court's analysis of the underlining 9 case in controversy. The Court looked specifically to 10 the tax court and indicated, yes, this ripened the State 11 court's adjudication of the principal litigation between 12 the plaintiff and the defendant in light of the 13 underlying tax action.

Here, in comparison, there is no underlying
litigation. There is no underlying third-party claim.
There is no underlying third-party damages. The State
looks to this conceivable future third-party claims.
That is not enough to pass muster on the Declaratory
Judgment Act, and, accordingly, Counts XVIII, XIX, and XX
should fail.

THE COURT: Thank you very much, counsel. Do any of the other Defendants wish to be heard before we move on to the State? Please.

24 MS. SILVA: Susan Silva on behalf of Commonwealth 25 Engineers. Most of the arguments were covered as to the declaratory judgment counts. There is only counts XIX and XX against Commonwealth Engineers. One argument that wasn't made yet, it's briefed in our papers, is the failure to join the hypothetical third parties. The Uniform Declaratory Judgment Act requires that, "When declaratory party relief is sought, all persons shall be made parties who have or claim any interest which would be affected by the declaration and no declaration shall prejudice the rights of persons to the proceeding."

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10 According to the Supreme Court of Rhode Island the 11 requirement to join all interested parties is mandatory 12 and failure to do so is fatal to the declaratory judgment 13 count. Here, the State has failed to join all interested 14 parties. The interested third parties are the unnamed 15 third parties who the complaint alleges could potentially 16 bring claims sometime in the future. These third parties 17 are interested parties because the judgment sought by the 18 State would impact the rights of those unnamed third 19 parties by determining the relative degree of fault of 20 Commonwealth Engineers as well as the relative fault of 21 the State for purposes of the contribution claim. So for 2.2 that additional reason, those two DJ counts should be 23 dismissed. Thank you.

24THE COURT: Thank you very much. Anyone else on the25defense?

1 MS. MARTIN: For the State, your Honor, Diana Good afternoon. 2 Martin. 3 THE COURT: Good afternoon. 4 Beginning with Count XVII, for MS. MARTIN: 5 contractural indemnity, you heard AECOM's counsel focus 6 on our reference for that count to the regulatory 7 provision about indemnity and make reference that should 8 be interpreted to only apply when third parties are 9 involved. We've made argument in our brief that we 10 belive it's a little broader than that. You can 11 interpret it, but it's really not relevant to the Court's 12 consideration because we're going here by what we have 13 pled, and what we have pled in that count is not 14 referenced by AECOM's counsel. It is the State alleged, 15 and that's in paragraph 174 and 175 of its complaint, 16 that the parties expressly agreed that AECOM and Joint 17 Venture agreed to defend, indemnify, and hold harmless 18 the State for all damages, losses, or expenses arising 19 out of any acts or omissions. There is no reference in 20 those allegations to any third-party requirement, and 21 what governs here on the pleadings on the motion to 2.2 dismiss by our allegations. 23 The cases that AECOM cited and mentioned up here 24 deal with the concept of equitable indemnity, the A & B

Construction case and Muldowney case. Equitable

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indemnity is defined by law. Contractural indemnity, which is at issue here in Count XVII, is defined by the contract, by the parties and their agreement. And here, on this motion to dismiss, it's defined by what we have alleged the contract says, and that's in the agreement that we have alleged. For that simple reason, without getting into the instruction of that regulation, we think that you should deny the motion to dismiss Count XVII.

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9 Turning to Counts XVIII to XX, they're all for 10 declaratory judgment. Those are the final three counts 11 of our complaint. We asking for declaratory judgment 12 regarding contractural indemnity against AECOM and Joint 13 Venture, Declaratory judgment regarding non-contractural 14 or equitable indemnity against all the Defendants and 15 declaratory judgment regarding contribution against all 16 the Defendants.

17 Now, the Defendants are arguing how their claims do 18 rely on these potential, and as we allege that we would 19 like certification of our rights as to potential 20 third-party claims brought against the State based upon 21 those wrongful acts or omissions of the Defendants, that 2.2 that makes our claims premature, they lack financial case 23 of controversy, or they seek an advisory opinion. But we 24 believe under the law that there is enough there for 25 there to be a justiciable controversy.

1 In Count XVIII, the State is specifically seeking a 2 judicial evaporation regarding AECOM's and the Joint 3 Venture's contractural indemnity obligations under the 4 contract, and that would be specifically permitted by the 5 Uniform Declaratory Judgment Act, which gives the Court 6 the powers to declare rights and obligations under the 7 contract even when there has not been a breach of the 8 contract. The purpose of that Act as expressed by many 9 courts throughout the State is to rely certainty and 10 security to the parties with regard to their rights. 11 That Act is liberally construed both -- actually, both 12 liberally construed and liberally administered in this 13 State to effectuate its purpose and that's what we're 14 asking the Court to do here.

15 THE COURT: Just so I understand because I was a 16 little confused reading some of this. So that there is 17 an obligation not necessarily who may make claims, but 18 that provision in the contract when the regulation is 19 enforceable?

MS. MARTIN: Right. So there's a few different arguments going on but, yes, first there is a contractural obligation that does not require third-party claims and that's in Count XVII, and then Counts XVIII, XIX and XX, eventually they want an assessment of the State's rights now with regard to the potential third-party claims. So if there are third-party claims down the road, that we have already done the work to understand the different parties' rights and responsibilities regarding these claims, which we hope will not be streamlined to reduce mutual potential proceedings litigating over those issues.

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7 You heard counsel mention the Fleet Boston case, and 8 we do think that's a case that is in support of our 9 position. There the Court looked at the breath of the 10 Declaratory Judgment Act and how it is to be liberally 11 applied. There the Court said it should be applied even 12 in a situation where it's the party wanting to be 13 indemnified and not vice versa, and the Court applied the 14 same pleading standard we have been talking about 15 throughout the day, the conceivability standard. That a 16 claim under the Declaratory Judgment Act is sufficient if 17 the facts give rise to some conceivable legal hypothesis, 18 which would entitle it to some relief and we believe we 19 have met that standard.

In that case the Court did deny the motion to dismiss the claim where there was a potential of the tax assessment years down the road and there were allegations of indemnification that the parties make the same arguments the Defendants are. There is nothing for you to determine now because we don't know that there will be a tax assessment and the Court said, no, I can determine that right now based on the contracts. So we think that certainly applies here and that Count XVIII, looking at the liberal construction of the Act and the way that that Act has been applied in Rhode Island courts demonstrated by the *Fleet Boston* case where the Court should deny Count XVIII. I mean deny the motion to dismiss Count XVIII.

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9 And we think that same reasoning should be extended 10 to Counts XIX and XX and those are the counts for 11 non-contractural indemnity and contribution. We think 12 again that it will help all parties if we have the 13 certainty and surety of defining our rights at this time 14 even though those third-party claims are not yet in 15 existence. We just want to clarify the rights and 16 responsibilities at this time.

17 You heard the Defendants say that we have failed to 18 join -- I think Commonwealth's counsel said we failed to 19 join because we haven't joined those third parties. We 20 don't know who they are yet. For that basis, the counts 21 must be dismissed. And that's based on argument from 2.2 Rhode Island General Laws 9-3-11, which requires all 23 persons shall be made parties who have any claim or 24 interest that would be affected. But that has been 25 interpreted to require joinder of only those parties who have an actual present adverse and antagonistic interest. That's from the *Town of Warren*, the *Bristol* case. And unnamed third parties will not get to file claims if we don't think they fit in that definition. They could not be and we don't think need to be named at this time to have our rights determined under that count of the complaint.

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8 The Defendants also argue that Count XIX should be 9 dismissed because the State has not alleged that it has 10 already been held liable to a third party, obviously, 11 because there were potential for third-party claims, and 12 they say that is an element of the count for equitable 13 indemnity. And Count XX should be dismissed because the 14 State has not alleged that they actually engaged in a 15 common wrong of the Defendants for which it can be held 16 liable, which is an element for the claim for 17 contribution. We believe that the complaint allegations 18 satisfies those standards and Section 184, paragraph 184 19 in Count XIX, we allege -- we're asking determination of 20 the State's rights if it is held liable to one or more 21 third parties as a result of the Defendant's conduct. 2.2 That would satisfy that requirement of third-party 23 liability for equitable indemnity.

24In Count XX of paragraph 188 we allege that the25State asks for determination of its rights if it's held

liable for one or more third parties as a tortfeasor, thereby satisfying the elements of the claim for contribution, satisfying the elements of that claim.

So we think under the global liberal construction, and application of the Declaratory Judgment Act that there is enough here to withstand a motion to dismiss under any set of conceivable facts that we're traveling under at this juncture. Your Honor, unless there are questions.

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THE COURT: No. Thank you very much. Counsel.

11 MR. PROSEN: Lawrence Prosen again for AECOM. I'm 12 trying to divide and conquer a little bit on some counts 13 but I'm going to have to jump into a few of the arguments 14 brought by the State. First and foremost, counsel 15 pointed to paragraph 176 of the complaint. This is under 16 Count XVII. And they said that they adequately allege 17 based on the contract that there was an indemnity 18 obligation and I quess a duty to defend. The provision 19 says, "Such contractural obligations owed by AECOM and 20 the Joint Venture arise out of the express contract 21 between such Defendants and the State and by virtue of 2.2 220 R.I. Code R. 30-00-13.21." The allegation references 23 that section, and I'm not going to get back into the whole argument of the third party, but I think, your 24 25 Honor, I think when you read the provision, you'll see

certainly where we're coming from.

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2 With regard to Counts XVIII, XIX, XX, I would like 3 to supplement a little of what counsel said, but also 4 respond to the State's specific argument. I actually 5 feel bad for you, your Honor. I have no idea how on 6 God's green earth you will be able to interpret now what 7 somebody may or may not sue the State for at some point 8 in the future under some hypothetical theory that may or 9 may not involve one of the other parties here or that may actually result in the State having any culpability or 10 11 liability. It's one thing to get to third-party argument 12 of all of the parties involved and there's sufficient 13 number of facts if enough information in the cases are 14 pretty complete, the ones cited by the different parties. 15 You have to have a justiciable controversy that's 16 available for the Court to decide. It can't be some 17 future non-specific, hypothetical event that may or may 18 not happen in the future.

19 *38 Studios* talked about that certainly, which prior 20 counsel for the State was actually involved with Mr. 21 Wistow. And the Court in that case said, and they were 22 talking about standing, "The standing query is satisfied 23 when the plaintiff has suffered some injury in fact, 24 economic or otherwise. Injury in fact has been defined 25 as, quote, "An invitation of a legally protected interest, which is a concrete and particularized and be actual or imminent, not conjectural or hypothetical." As a general rule a claim is not ripe for adjudication if it rests upon, quote, "Contingent future events that may not occur as anticipated or indeed may not occur at all," end quote. That's *Rhode Island Economic Development Corporation* at star ten.

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It's got to be a real thing. It can't be some 8 9 future -- I don't know how possibly, and maybe your Honor 10 will be able to do it if you rule against our motion, you 11 can say today or tomorrow something that may or may not 12 happen in possibly a decision today or tomorrow possibly 13 encompass all possible outcomes at some future, 14 hypothetical point in the future. I don't how your Honor 15 will do it.

16 Everything that's alleged in these different 17 declaratory actions is contingent. It's not specific. 18 It's non-existent in a lot of ways. It's unclear will 19 the third-party action come. What will be the basis for 20 No one has touched this bridge from the Defendant's it? 21 side in quite a long time. The bridge was shut down a 2.2 year ago in December. If a piece of stone or God knows 23 what falls off it now, that bridge has been partially 24 demolished, are we somehow on the hook for that? I have 25 no idea. I know it's a rhetorical question. It's not

ripe for the Court's consideration. At some point in the 1 2 future maybe it is, maybe it's not. I don't know, but 3 for right now, your Honor, I don't see how that can 4 possibly be. 5 THE COURT: So, counsel, let me ask you a question. 6 In that case, you know if I agree with what you're 7 saying, do I dismiss them or do I stay them? Because 8 there is probably a real good likelihood once answers get 9 filed and claims, I don't know what federal highway is 10 doing, this may become ripe. 11 MR. PROSEN: I think dismissal is the way to go, 12 I can certainly see a hypothetical potential your Honor. 13 where at some point in the future a separate action is 14 brought. Honestly, your Honor, it would seem to me that 15 if some third party brought an action against the State, 16 that case would really be where a termination by the 17 Court, whether it's your Honor or one of the judges, 18 wherever it's assigned, or federal, who knows, that would 19 be where the appropriate place would be for perhaps a 20 third-party complaint seeking indemnification or 21 contribution whatever at that point in time. But now, we 2.2 don't have all the parties. We don't know -- well, most 23 all of the arguments you heard today, but certainly with 24 these -- Greg Preston, you know, John V. Parson is not 25 I didn't know how your Honor could possibly do it here.

1	today. It would seem to me and I'm hoping it never
2	happens, I think we probably all are, that the State
3	never runs into another action, but at that point in time
4	is where, I think, this sort of situation should be ripe.
5	And with regard to the indemnity related stuff,
6	again, we don't have the contracts and everything else.
7	Whether there is a duty to defend and it happens at the
8	time of the complaint being filed or the State goes and
9	resolves something and then seeks contribution excuse
10	me, indemnity at a later point after some moneys is paid
11	if, in fact, there are any, I would note there is no
12	allegations, like I said, in the complaint that anyone
13	has been hurt or any third-party complaints have
14	happened.
15	THE COURT: Thank you very much.
16	MR. PROSEN: Thank you, your Honor.
17	THE COURT: Go right ahead.
18	MR. MELLADO: Christopher Mellado on behalf of
19	Barletta and Joint Venture. Your Honor, I want to go
20	back to your question you posited to Mr. Prosen, and I
21	think the answer here is clear. Dismissal is warranted
22	here, not a stay and that's because the State's complaint
23	is void of factual predicate which gives rise for
24	indemnification. The State needs to reallege
25	indemnification consistent with the facts as alleged by a

third party. So if a count was stayed today, we would have the same baseless devoid hollow obligation as stated in the State's claim, which simply allege in the future these claims may occur. So, your Honor, I ask the Court to dismiss those claims and have the State reassert them when they are ripe.

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7 That brings me to my next point with respect to the 8 State's argument. The State pointed to federal condition 9 13.21. Mr. Prosen went over that, but the State simply 10 argued, well, we cited that provision. That triggers 11 indemnity, therefore, the cause of action is sufficiently 12 pled. Again, your Honor, there is no factual predicate 13 which triggers the indemnification. That's what's 14 missing. It's not conceivable to allege in the future 15 these events may occur. That is not the standard. That. 16 is compounded conceivability and that is not appropriate 17 under any notice pleading standard.

18 And to briefly go back to Fleet Boston, the State 19 did the same thing they did in the brief. They simply 20 conglomerated Counts XVIII, XIX, and XX for the 21 proposition that, well, if we meet the Fleetwood test, 2.2 we've sufficiently pled those causes of action. XVIII, 23 XIX, XX respectively are different causes of action, 24 albeit declaratory relief. One is non-contractural 25 indemnity, one is contribution, and one is contractural

indemnity. Very different causes of action with very 1 2 underlying different elements that the Court must look to 3 that the State has not analyzed or attempted to defend 4 even today in oral argument. 5 And again to reiterate with respect to Fleet Boston, 6 the case in controversy was ripe for the Court's 7 consideration. Why? Because we had a state court action 8 in front of the court, but we also had a parallel

litigation in front of IRS appeals court. Very different here. We do not have a third-party claim, liability, cause of action. No further comment, your Honor.

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12 THE COURT: Thank you very much. Would any of the 13 Defendants who were heard before like to be heard further 14 on this? Okay. Seeing none, counsel, how long do you 15 think your presentation on the last issue, which is 16 breach of fiduciary duty?

MR. PROSEN: Very short, your Honor.
THE COURT: What about the State? Same thing?
MR. PROVAZZA: Very short, your Honor.

THE COURT: Because originally I had said we would break at 1:00 for lunch. With the thanks to the court reporter if we can go a few minutes over, we could probably bang out the rest of this.

24 MR. PROSEN: Your Honor, the only other thing out 25 there is the motion for alternative and more definite

1	statement. Are you going to want argument on that?
2	THE COURT: Actually, I have enough on the plate.
3	MR. PROSEN: I figured as much.
4	THE COURT: Please proceed, counsel.
5	MR. PROSEN: Thank you, your Honor. Your Honor,
6	Lawrence Prosen for AECOM. Your Honor, Count V, last but
7	certainly not least, your Honor, is the breach of
8	fiduciary duty claim against AECOM. The State claims
9	that there was some heightened duty that AECOM owed the
10	State a fiduciary duty and it does so without sighting to
11	anything. Its briefing is also relatively short with
12	regard to that. A fiduciary duty relationship, as the
13	Court knows, is a special relationship. We talked
14	earlier today about both parties being sophisticated,
15	both sitting in a commercial capacity, both parties
16	having a contractural relationship.
17	We cited cases such as EDC Investment v. UTGR, 275

18 A.3 537. It's a 2022 case. And the Court in that case 19 said at page 534, "The fiduciary relationship is based 20 upon the relative business capacities or lack thereof 21 between the parties and readiness among the parties that 22 follow the others guidance in complicated transactions." 23 And, again, I'll be surprised if the State says that they 24 are not a sophisticated party, that they have some sort 25 of disproportionate negotiation power, or whatever the

case may be. Again, briefly, they track the RPs. They track the contracts. I think it's pretty common knowledge. Again, outside the four corners they have architects, engineers, and construction people, and all of that sort of stuff that do their side of the work. They have the AG that represents them contracturally. This isn't a case where -- the cases cited by the State deal with some sort of disproportionality. One of them was an attorney/client relationship, which, obviously is a special relationship. My wife doesn't always get it, but I tell her that that's the case. There is no simple 12 contractural relationship. It is a simple contractural 13 relationship. There is no heightened requirement here.

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14 The State may argue, well, AECOM, you're a designer. 15 You've got architects and engineers. You've got 16 professional licensing seals and all those sorts of 17 things. They do, but so does the State. The State had 18 access to the same documents, same inspection reports, 19 same design, same everything. They were given and, 20 ultimately, the State took them, and again there is no 21 allegations in the complaint that any revisions were 22 necessary, any cures were needed, anything like that. To 23 us, the fiduciary duty claim should be dismissed just 24 because there isn't one. It's a claim, run-of-the-mill 25 contract between the parties' relationship and it

certainly does not rise to the level, your Honor, of a 1 2 fiduciary relationship. Thank you, your Honor. 3 THE COURT: Thank you very much. Counsel, do you 4 wish to be heard on this? 5 MR. BLEASE: Thank you, your Honor, but we don't 6 have anything for that. 7 THE COURT: Any other Defendants? Very good. The 8 State may proceed. 9 MS. MARTIN: Thank you. Diana Martin again for the 10 State. The only Defendants we have sued for breach of 11 fiduciary duty is Defendant AECOM. There are no other 12 defendants with this cause of action pending against 13 them. So we believe that we have sufficiently pled a 14 count for breach of fiduciary duty by alleging the 15 existence of the fiduciary duty, breach of that duty, 16 causation, and damages. 17 You heard AECOM take issue with whether there is or

18 can be a fiduciary duty between the State and one of its 19 engineers or designers working on the bridge. And they 20 cited to the Chain Store Maintenance case that we believe 21 speaks to why there is a fiduciary duty that we've 2.2 alleged in this case. That case, and that was decided in this court by Judge Silverstein, was on a motion for 23 24 summary judgment. Whether there is a fiduciary duty is 25 generally a very fact intensive inquiry. There a

business was suing its competitor and one of its employees for providing information to its competitor, proprietary customer information, and it sued both for breach of fiduciary duty.

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5 And the Court said, I'm entering summary judgment as 6 to the competitor because there there was no special 7 relationship. The Plaintiff was not imposing confidence 8 or trust or faith in the competitor. The Plaintiff 9 wasn't relying on advice given by the competitor. But 10 with regard to the employee, it denied the motion for 11 summary judgment and noted that the employee can act as 12 an agent of the employer in which case they owe a 13 fiduciary duty with regard to that relationship. So we 14 believe that the allegations in the complaint demonstrate 15 similar placing of trust and rely on advice of AECOM.

16 In paragraph 46 the State alleges that RIDOT was 17 looking for a consultant to provide structural 18 engineering services. Paragraph 53, the RFP called for 19 the consultant to provide advice and quidance to RIDOT. 20 In Paragraph 54 we allege again that the consultant was 21 to advise and guide RIDOT. Paragraph 77 specifies that 2.2 AECOM was to act as RIDOT's representative. So these 23 allegations are similar to the cases cited by AECOM that 24 there was that trust, there was that confidence and 25 reliance in the relationship between the State and AECOM. We also allege that AECOM demonstrated and had special experience or expertise.

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3 In paragraph 56 we allege that AECOM demonstrated 4 extensive knowledge of the bridge history by referencing 5 repairs and rehabilitation efforts taken between 1996 and 6 1998. And in the following paragraph, number 57, we 7 allege that in AECOM's letter of interest to the State 8 explained the design of the bridge, previous repairs to 9 the bridge, and previous inspections to the bridge 10 demonstrating that it had knowledge of the bridge history 11 and special unique design and characteristics and 12 features. 13 These allegations are sufficient to state a

14 fiduciary duty. They show the State placed trust and 15 confidence in AECOM and they show that the State relied 16 on the judgment and advice of AECOM and that is 17 specifically addressed in paragraph 117. So we believe 18 that we have satisfied the pleading standard for that 19 count, your Honor.

THE COURT: Thank you very much.
MS. MARTIN: Thank you, your Honor.
THE COURT: Counsel.
MR. PROSEN: Lawrence Prosen again, your Honor, for

AECOM. Luckily, I will be brief. Your Honor, allegations are one thing but as a matter of law, your

Honor, can certainly make the determination now as to 1 2 whether or not there is a fiduciary duty here. I would 3 be hard pressed to find any entity that enters into a 4 contract with another party that doesn't expect that 5 other party and trusts the other party. Your Honor and I 6 discussed briefly the implied duty of fair dealing and 7 good faith. It's in every contract. Making those allegations does not mean that all of a sudden because I 8 9 say it in a complaint that I am now a fiduciary. If that 10 were the case then one might argue that everybody is a 11 fiduciary and everybody under any contract.

12THE COURT: Well, I guess I sua sponte said that the13Joint Venture was a fiduciary so my apologies.

14 MR. PROSEN: I would never disagree with, your 15 It's a heightened requirement, your Honor. It's Honor. 16 not enough to say -- it's the old I know you are but what 17 am I or Justice Frankfurter, I know it when I see it. 18 It's more than that. Your Honor, as a matter of law 19 should be able to make the determination, particularly 20 amongst two sophisticated parties. Again, it's not like 21 AECOM comes in and says to your Honor, your Honor, you 2.2 own a bridge? I will fix it for you. And maybe your 23 Honor has a lot more construction experience or whatever 24 the case is or anyone else in this room. It's different. 25 It's a heightened promise. A new fiduciary obligation

that rises to the level, even at the pleading stage right now, that changes that.

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3 Again, as the Court in the EDC decision said, "The 4 fiduciary duty is one of trust and confidence imposes a 5 duty of the fiduciary to act with the utmost good faith." 6 The State, makes allegations that AECOM in its proposal 7 said, hey, we know the bridge well. It's a proposal. 8 I'm sure, and I have not seen -- I quess at some point in 9 discovery we'll see all the proposals for all these jobs. 10 I'm sure there's comparable statements made by other 11 bidders that said, hey, we have tons of bridge 12 experience, and we built the biggest bridge in the world or, hey, this or that. I don't want to use the term 13 14 puffery. It's part of selling yourself. I can say I've 15 got 30 years of construction building contract experience 16 and you don't. I may win the competition with the 17 client. I may not, but that doesn't create on to itself 18 a fiduciary duty, your Honor, and as a result, 19 respectfully, we think that count should be dismissed. 20 Thank you for your time, your Honor.

THE COURT: Thank you very much. First of all, I want to thank the parties for their oral arguments today. The papers were very good, but this helps focus in on a number of issues. I want to be able to turn around the decision relatively quickly. I have a jury trial dealing

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1	with a helicopter crash with some of these same issues.
2	I want to see if it's possible to get it done beforehand.
3	So I would ask the Plaintiff and the Defendant to please
4	order a transcript from the court reporter. It will just
5	make things move along a little more quickly. The record
6	is now closed on the motion to dismiss. Thank you to
7	everyone. Those who booked two days here hopefully can
8	cancel your hotel and book flights back to where you come
9	from. Thank you all very much.
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