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AALRR Wins Case of First Impression at California Supreme Court

On February 16th, Atkinson, Andelson, Loya, Ruud & Romo (AALRR) won an important California Supreme Court case, *Roy Allan Slurry Seal, Inc., et al. v. American Asphalt South, Inc.* The Court ruled on a legal issue it had never decided before and unanimously agreed with AALRR's interpretation of the law.

The case has a long history. After AALRR's client American Asphalt South, Inc. outbid its competitors on six public works contracts in Riverside County, the competitors sued American Asphalt for intentional interference with prospective economic advantage. The competitors alleged that American had improperly deflated its bids to obtain the contracts. American vigorously denied the allegations and AALRR filed a demurrer to have the case dismissed. The trial judge granted AALRR's motion for a demurrer and dismissed the case. The California Court of Appeal reversed the dismissal in a split decision. On appeal, the California Supreme Court held that the demurrer and dismissal were proper.

Justice Carol Corrigan wrote the 19-page decision, which the other six Justices joined. The Court noted that the tort of intentional interference with prospective economic advantage requires an economic relationship with a third party with a probability of future economic benefit to the plaintiff. It held that a disappointed bidder on a public works contract cannot demonstrate this relationship. It agreed with AALRR's argument that submitting a bid to a public entity does not create an existing relationship, but rather the mere hope of one and a desire for future benefit.

This is a tremendously important decision not only for contractors who bid on public works projects in California, but also for the public agencies who award these contracts and the citizens of California who ultimately pay for the projects.

AALRR attorneys Scott Dauscher, Paul Szumiak, and Jennifer Cantrell wrote the briefs and Mr. Szumiak presented the oral argument at the Supreme Court. Each attorney brought unique capabilities and expertise to the team. Mr. Dauscher heads AALRR's Commercial and Complex Litigation Practice Group, Mr. Szumiak has over 30 years of experience as a trial lawyer, and Ms. Cantrell has worked on more than forty cases before the California Courts of Appeal and Ninth Circuit Court of Appeals.

"This Supreme Court victory is a great honor, which I am thrilled to celebrate with my talented and hard-working colleagues at Atkinson, Andelson," Mr Dauscher said.

About Atkinson, Andelson, Loya, Ruud & Romo

With over 35 years of unwavering commitment to client service, [AALRR](#) is one of California's leading law firms. Our diverse team brings a seasoned perspective to California's complex legal landscape for [public](#) and [private](#) entities, with particular strength in the areas of [education](#), [labor and employment](#), [construction](#), [complex litigation](#), [corporate](#), [taxation](#), and [white collar](#) law. Our public sector clients include more than 400 K-12 school districts, community college districts and universities, as well as cities, counties and special districts. We also represent diverse business entities, from small, family-run businesses to publicly traded corporations. At 170 lawyers and growing, AALRR has nine offices in [Cerritos](#), [Fresno](#), [Irvine](#), [Marin](#), [Pasadena](#), [Pleasanton](#), [Riverside](#), [Sacramento](#) and [San Diego](#) to serve our clients throughout California. For more information about AALRR, visit our website at www.aalrr.com and sign up for our blogs, www.aalrreducationlaw.com, www.aalrremploymentlaw.com, and www.aalrrlaborrelationslaw.com.

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