

FOR IMMEDIATE RELEASE

**City of Mount Vernon Held Liable to Developer for Millions
Plaintiff Awarded 2.6 Million plus interest, totaling approximately \$4.9 Million**

The City of Mount Vernon lost a major lawsuit and has been ordered to pay \$2.6 Million plus interest to developer Salvatore Gizzo. After an arbitration trial before former Supreme Court Justice Betty Ellerin, the award with interest totaled approximately \$4.9 Million. Gizzo was represented by Jonathan D. Kraut and Neil Torczyner of the law firm Harfenist Kraut & Perlstein LLP. The award was the result of the City's breach and non-performance of its contractual obligations.

In 2009, the City sought out Gizzo, offering various incentives to close his successful steakhouse at 42 West Broad Street in the Fleetwood section of the City and in its place build a brand-new supermarket. Gizzo agreed to do it in exchange for the incentives offered by the City. The City and Gizzo's company entered into a written agreement. Gizzo built a brand-new supermarket as promised. Mount Vernon on the other hand completely reneged and refused to deliver on its contractual promises.

After prevailing on summary judgment on liability, the case proceeded to arbitration before former Supreme Court Justice Betty Ellerin. In a stinging rebuke of actions taken by the City, Justice Ellerin ordered the City of Mount Vernon to pay Salvatore Gizzo \$2.6 Million plus interest dating back to 2011, which can tack on an additional \$2,293,935 onto the award totaling \$4,892,175.

Mr. Kraut said "The City failed to remember what we teach our children: if you promise something, you must deliver. Instead, the City of Mount Vernon made promises and then ignored them completely." The City's current mayor, Richard Thomas, has acknowledged the City's egregious actions, stating: "The story is one of municipal malpractice and a past that cannot be allowed to be repeated." Mr. Kraut added, "for a Mayor to acknowledge the City's malfeasance, in these terms, speaks volumes for Mount Vernon's conduct."

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