BASSFORD REMELE

Legal Foundations

A Publication of the Construction and Real Estate Practice Group

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Inside this Issue

From the Practice Group Chairs

Thank you for joining us for the next edition of *Legal Foundations*, reflecting the breadth of legal issues shaping today's construction and real estate landscape. This issue introduces a refreshed format aligned with Bassford Remele's recent brand refresh and new website—an update that reflects who the firm is today and where it is headed, while honoring nearly 150 years of core values.

In this edition, you will find analysis of how the ongoing Iran conflict is reshaping construction contracts, along with a practical overview of five legal issues every Minnesota general contractor needs to know. The publication also examines trends in wage theft enforcement and explores how the often-overlooked doctrine of recoupment can significantly impact lien and bond disputes. Because labor and employment risk continues to intersect with project delivery, this edition includes a refresher on commission laws, guidance on responding to EEOC charges, and a discussion of the EEOC's increased focus on reverse discrimination. Together, these articles are designed to provide timely, usable insight you can apply to your projects, workforce decisions, and risk management strategies.

We are pleased to share that this spring the firm officially opened its Sioux Falls office, marking an important milestone in its Midwest growth. The South Dakota location offers a full range of legal services, including litigation, business law, construction and real estate, employment, trust and estate, and corporate law, supported by local knowledge and personalized attention. Barry Sackett serves as managing shareholder of the Sioux Falls office, with Shad Christman and William Brunner also based in South Dakota.

We hope you enjoy this edition of *Legal Foundations* and that it serves as both a valuable resource and a conversation starter as we continue navigating these evolving legal landscapes together.

Best regards,



Kyle S. Willems | Jeffrey D. Mulder | John C. Holper

Construction and Real Estate Practice Group Co-Chairs

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Fueling Disputes: How the 2026 Iran Conflict is Reshaping Construction Contracts

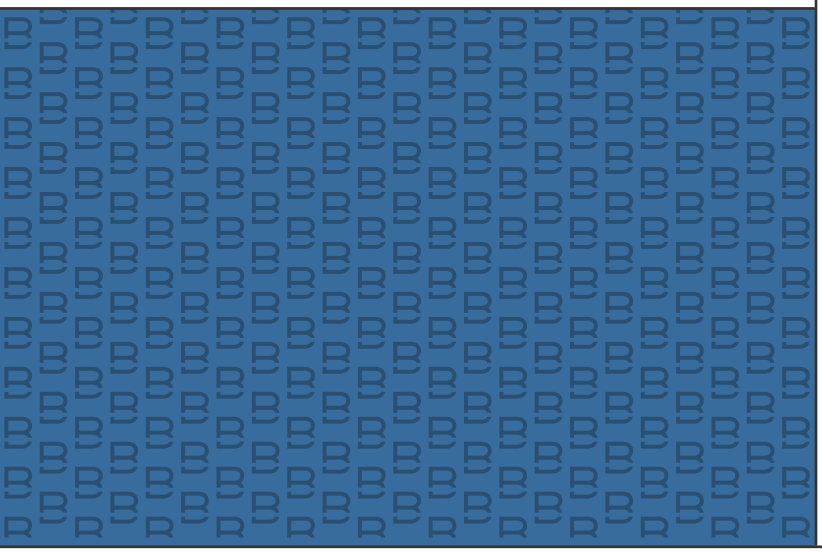
By John C. Holper, Kyle S. Willems, and William T. Brunner

The Conflict Abroad

The ongoing 2026 conflict with Iran has triggered a sharp increase in the cost of goods and global energy prices. These increases have been driven largely by disruptions in the Strait of Hormuz—a critical transit route for a significant portion of the world's oil supply. As a result, gasoline prices have surged above $4 per gallon in some areas of the United States, and gas prices are expected to remain elevated throughout the year. This volatility is not just an economic concern for consumers; it carries significant practical, legal, and contractual implications for contractors.

The Impact on Contractors

Shipping delays worldwide due to the closure of the Strait of Hormuz are having a significant impact on the construction industry. Fuel is a foundational input cost for contractors. Rising gas and diesel prices directly affect transportation, heavy equipment operation, and the cost of petroleum-based materials, such as asphalt and plastics. Diesel prices alone have jumped dramatically, increasing the cost of freight and job site operations. The geopolitical instability is also driving up prices for steel, aluminum, PVC, and other key construction inputs. In turn, contractors face cascading cost increases.



The Iran conflict has placed a strain on contractors' ability to plan, price, and execute projects. Regardless of the form and method of payment being used on a project, stipulated sum, cost plus, or design build, the impact of the Iran conflict is the type of unanticipated event that should remind contractors of the importance of the force majeure clause and why it is not just a boilerplate term to be glossed over when negotiating a contract. The impacts resulting from the Iran conflict are also a good reminder that there is no time like the present to review and update the price escalation clause in order to properly plan for and allocate economic risk on the project.

Regardless of the form and method of payment being used on a project, stipulated sum, cost plus, or design build, the impact of the Iran conflict is the type of unanticipated event that should remind contractors of the importance of the force majeure clause.

Smart Up-To-Date Force Majeure and Price Escalation Clauses Need To Work Together

In plain terms, force majeure and price escalation clauses exist to define and allocate risk. If the force majeure and price escalation clauses are ignored, poorly thought out, or missing, contractors locked into pricing based on the circumstances that existed prior to the Iran conflict face the risk of evaporating profit margins and an increased project financial risk. If the force majeure and price escalation clauses are ignored, poorly thought out, or missing, contractors also substantially increase their risk of being involved in disputes and litigation, and the accompanying time, effort, and cost associated therewith.

While no contract provision is 100 percent bulletproof, there are a few key considerations to keep in mind. Oftentimes, the force majeure clause addresses performance delay and provides for an equitable

adjustment of the contract time. Conversely, price escalation clauses generally address how unforeseen price increases beyond the contractor's control are handled. These two provisions are not mutually exclusive. They should work in tandem.

From the contractor's perspective, a strong force majeure clause should be as expansive as possible, clearly identifying events. It is important to think outside the box. As an example, prior to COVID, very few, if any, contractors included "pandemic" as a force majeure event. When COVID hit, disputes and litigation exploded over who bore the risk associated with COVID. The force majeure clause should also contain a catch-all provision, such as "and any other cause beyond the contractor's reasonable control."

Second, a force majeure clause should not only address the impact of unforeseen events on the schedule but also work in conjunction with the price escalation clause to fully allocate and address an unexpected cost increase resulting from an event beyond the contractor's control. The key to drafting a price escalation clause is to determine a "triggering event". Commonly, a fixed percentage increase above an agreed-upon amount, or an index-linked adjustment (e.g., ENR, PPI index), or a cost-verification based upon actual materials or labor cost increases. Regardless of the method used, it is imperative that the price escalation clause is clear and definitive, and that the contractor understands when and how the "triggering event" is triggered and how the increase in price will be determined.

Conclusion

The Iran conflict underscores how fast geopolitical, weather, and other unforeseen events can rapidly reshape and impact the assumptions used at the time pricing for a project was undertaken and the contractor's ability to successfully perform the project without having to absorb unanticipated risk. Rising fuel costs arising from the Iran conflict are not just a project budgeting issue - they are a legal risk multiplier. Contractors can better navigate this tumultuous period of uncertainty, protect their project margins, and improve project risk allocation, by being proactive, thinking creatively and not ignoring the force majeure and price escalation clauses.

Presentations

Office Market Update, *Minnesota Real Estate Journal*, 14th Annual Mid-Year Commercial Real Estate Forecast, June 10, 2026 (Kyle Willems, panel moderator)

Pro Tips to Finance, Structure & Protect Your Commercial Real Estate Assets, *Minnesota Real Estate Journal*, 2nd Annual Building Your Legacy in Commercial Real Estate, May 13, 2026 (Kyle Willems)

Professionalize or Plateau: The Leadership & HR Playbook for Growing Family Enterprises, Prairie Family Business Association 2026 Family Business Conference, April 22, 2026 (Barry Sackett)

Contracts: Negotiating with Owners, General Contractors, and Specialty Contractors, Associated General Contractors of Minnesota, Construction Summit, February 18, 2026 (Kyle Willems)

Navigating Change Orders with Confidence, Associated General Contractors of Minnesota, Construction Summit, February 18, 2026 (Kyle Willems)

2026 HR Blueprint, Twin Cities Society for Human Resource Management (TCSHRM) February Virtual Legal Session, February 11, 2026 (Beth LaCanne)

Strategies for Managing and Resolving Disputes, *Minnesota Real Estate Journal*, 18th Annual Construction Summit, January 29, 2026 (John Holper, panelist, and Kyle Willems, panel moderator)

Tenant Improvement Strategies, *Minnesota Real Estate Journa*l, Office Summit, December 12, 2025 (Kyle Willems, panel moderator)

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Five Legal Issues Every Minnesota General Contractor Needs to Know Right Now

By John C. Holper

If you have not updated your contracts, your compliance practices, or your insurance review in the past twelve months, you are likely exposed to preventable risks. Changes and updates to key state laws have expanded general contractors' potential liability in ways that may surprise you. Here are the five issues demanding your immediate attention.

1. You Are Responsible For Your Subcontractors' Payroll

This one catches many general contractors off guard: under current Minnesota law, if a subcontractor fails to pay its workers, the general contractor can be held liable for the unpaid wages—even if the general contractor paid the subcontractor in full and on time.

The law was designed to protect workers lower in the contracting chain from wage theft by undercapitalized subcontractors. It is a sound policy goal. But the practical effect is that general contractors are now on the hook for payroll failures over which they have no direct control.

> *Authority: Minn. Stat. § 181.165 (General Contractor Liability for Subcontractor Wage Claims). Enacted as part of the 2023 Omnibus Labor Bill; effective January 1, 2024.*

A general contractor cannot waive or contract around this liability. Any indemnification clause in your subcontract that attempts to do so is unenforceable—a general contractor can seek indemnity from a subcontractor only after it has paid the workers.

What this means for your operations:

- Update every subcontractor agreement to require proof of employee payment on a regular cycle (weekly or biweekly). Minn. Stat. § 181.165, subd. 4 expressly permits general contractors to require subcontractors to provide payroll records.
- Add audit rights to your subcontracts—the right to inspect payroll records on demand.
- Consider requiring subs to carry a payroll bond on larger projects.
- Verify whether the union contractor exception applies: the statute exempts general contractors and subcontractors who are parties to a collective bargaining agreement covering the affected employees. See Minn. Stat. § 181.165, subd. 6.

If you are still using boilerplate subcontract language from five years ago, have a construction attorney review it now. The indemnification language you're relying on may be worthless.

2. The Responsible Contractor Law: More Than a Checkbox

Public bidding requirements are tighter than ever. Minnesota's Responsible Contractor Law governs who can bid on public construction projects. It requires general contractors to certify compliance with specific standards covering labor practices, tax obligations, and workplace safety. Non-compliance doesn't result in a fine—it results in disqualification from the bid entirely.

> *Authority: Minn. Stat. §§ 16C.285 (state contracts) and 16B.30 (state building projects). Contractors bidding on public projects valued over $50,000 must submit a Responsible Contractor verification; prime contractors must obtain and retain verifications from all subcontractors at every tier.*

The law is primarily aimed at larger firms, but its implications ripple through the entire subcontracting chain. If bidding on public work—or if any of the general contractor's subcontractors do—everyone in that chain needs to meet the statutory criteria.

The practical compliance requirements include:

- **Current licensure** with the Minnesota Department of Labor and Industry under Minn. Stat. Ch. 326B.
- **Tax and insurance compliance:** Workers' compensation (Minn. Stat. Ch. 176), unemployment insurance (Minn. Stat. Ch. 268), and proper tax withholding under Minn. Stat. § 290.92.
- **Safety record:** Compliance with OSHA (29 U.S.C. § 651 et seq.) and Minnesota OSHA (Minn. Stat. § 182.65 et seq.).
- **Subcontractor certification:** Prime contractors must verify and retain Responsible Contractor certifications from every subcontractor and sub-subcontractor. Minn. Stat. § 16C.285, subd. 4.

Changes and updates to key state laws have expanded general contractors' potential liability in ways that may surprise you.

The reputational dimension matters too. Clients—both public agencies and sophisticated private owners—increasingly use Responsible Contractor compliance as a proxy for overall professionalism and risk management.

If expanding into public projects for the first time, do not wait until bid day to assess your compliance posture. Work with legal counsel to conduct a pre-bid audit and identify any gaps before they become disqualifying.

3. Prevailing Wage Compliance: The 2026 Rates Are Live

Minnesota's prevailing wage law requires every contractor and subcontractor on a state-funded project to pay workers the prevailing wage rate for their trade and classification in the county where the work is performed. The Minnesota Department of Labor and Industry has released updated rates for 2026, and they need to be built into your bids before you submit them—not discovered after award.

Authority: Minn. Stat. §§ 177.41–177.44 (Prevailing Wages on State Projects). The DLI publishes annual prevailing wage rate determinations by county and trade classification; 2026 Highway & Heavy rates are available at dli.mn.gov.

The prevailing wage covers both the hourly base rate and the value of benefits. Getting it wrong creates compounding problems:

- **Back-Pay Liability** for the wage differential on every affected worker for the duration of the project. Minn. Stat. § 177.43, subd. 6a.
- **Civil Penalties And Debarment:** The DLI may assess penalties and recommend debarment from future public bids. Minn. Stat. § 177.43.
- **Downstream Exposure:** Liability flows between tiers depending on subcontract language; a vague "comply with applicable law" clause will not protect you. Minn. Stat. § 177.44. Make sure your subcontracts explicitly flow down the prevailing wage obligation—a general compliance clause is not sufficient in the event of a dispute or audit.

A growing number of smaller general contractors and specialty trades are bidding on public projects for the first time, drawn by infrastructure funding and stable government work. If that describes your firm, prevailing wage compliance needs to be built into your estimating and HR systems from day one. Review of the 2026 Highway & Heavy Prevailing Wage Rates at dli.mn.gov before finalizing any public project bid is imperative. County-by-county variations can materially affect labor cost projections.

4. Your Insurance Program May Not Reflect Your Actual Risk

Construction insurance has always been complex. In 2026, it's become genuinely difficult. A combination of forces—rising material replacement costs driven by tariffs, tighter underwriting across the industry, and expanded contractor liability under new Minnesota law—means that a policy that was adequate 18 months ago may leave meaningful gaps today.

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The core issues to review with your broker and legal counsel:

- **Replacement Cost Coverage:** Tariffs have pushed steel, aluminum, lumber, and electrical components materially higher. Review builder's risk and property policies against current replacement values.
- **Subcontractor Default Coverage (SDI):** Given potential exposure under Minn. Stat. § 181.165, consider whether an SDI program is appropriate for larger projects as a backstop against subcontractor payroll failures.
- **Additional Insured Status**: Confirm that subcontractors are naming you as an additional insured and that their policy limits are adequate. Review the anti-indemnity provisions of Minn. Stat. Ch. 337 (Construction Contracts), which limit certain indemnification obligations.
- **AI And Technology Exclusions:** Newer policy language is beginning to exclude losses arising from AI-assisted design, scheduling, or estimation errors. Review exclusions carefully if your firm uses these tools.
- **Completed Operations Tail**: Minnesota's statute of repose bars construction defect claims brought more than ten years after substantial completion. Minn. Stat. § 541.051. Your completed operations coverage must extend at least that long.

Don't treat the annual insurance renewal as an administrative task. It is a risk-management conversation that warrants direct involvement from your attorney and project leadership.

5. AI on the Jobsite: Powerful Tools, Unsettled Legal Terrain

The rise of AI tools on job sites is creating contractual risks that most standard agreements do not address. Artificial intelligence is moving into construction at a pace that has outrun the legal infrastructure around it. General contractors are using AI tools for estimating, scheduling, safety monitoring, document management, and even design review. Most are doing so without contracts that clearly allocate the risk when those tools produce wrong results.

The legal questions that remain largely unsettled in Minnesota—and nationally—include:

- Who is liable when an AI scheduling tool causes a delay or a cost overrun?

- If AI-assisted design review misses a code deficiency, does that affect your professional liability exposure?
- When a dispute arises, who owns the AI-generated outputs—the contractor, the software vendor, or the owner?
- Are AI outputs "project documents" subject to document retention and discovery obligations in your contracts?

These questions don't have clean legal answers yet. What can be done to reduce exposure through contract language is:

- **Add AI Use Provisions** to your prime contracts and subcontracts. Define what tools are authorized, who is responsible for validating AI outputs, and how disputes over AI-generated work product will be handled. AIA Document A201-2017 § 1.1.8 (as amended in the 2023

supplemental guidance) addresses digital data but predates current AI tools; the standard form language requires supplementation.

- **Data Security And Confidentiality:** Include provisions covering project information fed into third-party AI platforms. Consider Minnesota's data privacy framework (Minn. Stat. Ch. 13, Minnesota Government Data Practices Act, for public projects; and the Minnesota Consumer Data Privacy Act, effective July 31, 2025, for consumer-facing data) when evaluating vendor agreements.
- **Review Vendor Agreements Carefully:** Most AI tool providers disclaim liability for errors in their outputs under broad limitation-of-liability clauses. Understand what you are accepting before deploying these tools on a project.
- **Document AI Use:** In the event of a claim or dispute, your internal records of how AI tools were used, validated, and overridden will be critical. Build documentation protocols into your project management procedures now.

The firms best positioned as AI-related disputes begin to work through courts and arbitration panels are the ones that addressed these issues in their contracts before a problem arises—not after.

The Bottom Line

Minnesota's construction legal environment is ever-changing and rapidly evolving. General contractors who are still operating on pre-2024 contract templates, compliance programs, and insurance assumptions are carrying risk they may not even be able to see until a claim arrives.

The good news: all five of the issues covered here are manageable with proper contract drafting, legal review, and operational discipline. The cost of getting ahead of them is a fraction of the cost of responding to a claim, a stop-work order, or a bid disqualification.

If you haven't had a construction attorney review your standard contracts, subcontract templates, and compliance programs recently, there's no better time than now.

Trends in Wage Theft Enforcement

By Kyle S. Willems and Shad E. Christman

Wage theft has remained an active hot topic in the construction industry. However, it remains to be seen whether enforcement of wage theft laws, by way of criminal convictions or civil cases, has been or will continue to be an actual priority for government authorities in Minnesota and nationally. We thought it worthwhile to examine such enforcement so far, and provide a brief overview as to where enforcement may be trending.

As a refresher, in general, Minnesota defines "Wage theft" as occurring when any employer, with intent to defraud:

1. fails to pay an employee all wages, salary, gratuities, earnings, or commissions at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater;
2. directly or indirectly causes any employee to give a receipt for wages for a greater amount than that actually paid to the employee for services rendered;
3. directly or indirectly demands or receives from any employee any rebate or refund from the wages owed the employee under contract of employment with the employer; or
4. makes or attempts to make it appear in any manner that the wages paid to any employee were greater than the amount actually paid to the employee.

Minn. Stat. § 609.52 Subd. 1(13). Wage theft encompasses unpaid overtime, misclassifications of employees, off-the-clock work, unlawful deductions, and failure to pay prevailing wages.

In recent years, federal, state, and local officials have intensified their oversight through investigations, steep penalties, and other forms of more creative accountability. But while national enforcement efforts for wage theft in the construction industry has been robust, locally, in Minnesota, enforcement so far has been either limited or focused on other sectors.

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Below is a layout of what we have seen nationally, compared to local enforcement trends in Minnesota, as well as some suggestions for preparations should enforcement intensify in the construction industry in the future.

National Enforcement Landscape

The National Institute for Workers' Rights reports that over $15 billion is stolen from workers by their employers across all industries, and that less than 3% of that amount is recovered by the affected workers. Its no wonder then, why enforcement authorities (government bodies, agencies, or officials with the legal jurisdiction to ensure compliance, investigate violations, and enforce laws, regulations, or rules), across the country have expanded both the scope and tools of wage theft enforcement.

You may have heard of a number of new stories illustrating this point. In December of 2025, the Office of the Attorney General for the District of Columbia secured a $1.5 million settlement from a construction company called Brothers Mechanical, Inc. (including $500,000 in pay to workers and $1 million in penalties), after the company and its subcontractors misclassified hundreds of workers as independent contractors, depriving them of wages and benefits. The State of California Department of Industrial Relations reported that in August of 2025, it issued citations totaling more than $2.3 million to multiple developers and affiliates who were operating construction projects at four different sites in Los Angeles. In that case, it was reported that workers were denied overtime pay to which they were entitled, paid below the minimum wage, and received multiple pay stubs for separate corporate entities despite working for the same supervisor on the same projects for each entity. The Texas Workforce Commission claims it has ordered employers to pay more than $49 million for wage theft claims between 2020 and 2025. These are just a few examples.

Some have noted an increase in coordination among state labor departments, state attorneys general, and tax authorities to address payroll fraud and misclassification, a heightened focus on subcontractors, an increased use of criminal referrals and enhanced civil penalties, and targeting of certain subsectors that authorities have deemed to be high-risk, such as framing, drywall, roofing, and concrete.

Enforcement in Minnesota

You may be familiar with Minnesota's statutory and enforcement framework for addressing wage theft. It includes, among other things:

- Defining wage theft as a criminal offense, Minn. Stat. § 609.52 Subd. 1 (13), 2 (a)(19);
- Strengthening recordkeeping and notice requirements. See Minn. Stat. Ann. § 177.30(a);
- Enacting construction-specific misclassification statutes and enforcement. See Minn. Stat. Ann. § 181.72
- Extending liability for unpaid wages, fringe benefits, penalties, and liquidated damages by a subcontractor or other third party to the general contractor and creating mechanisms for enforcement under the Construction Worker Wage Protection Act (CWWPA), Minn. Stat. Ann. § 181.165 Subd. 2, 3.
- Encouraging coordination among the Minnesota Department of Labor and Industry, the Minnesota Attorney General's office, as well as county attorney's offices.

With such a wide range of tools at their disposal, it would appear initially, at a minimum, that agencies and stakeholders in Minnesota have prioritized wage theft prevention and enforcement in the construction industry. Theoretically, that could mean enhanced or additional investigations of trades considered high-risk for wage theft, more scrutiny of certified payrolls on public works, or a greater focus on the role of labor brokers and the use of staffing agencies.

However, we have not seen that come to fruition. So far, the Minnesota Department of Labor and Industry and the Minnesota Attorney General's office have seemed

to focus their efforts in wage theft enforcement in other sectors, such as agriculture, or not at all. For instance, you may recall that the Attorney General filed a lawsuit against Evergreen Acres Dairy, a Minnesota dairy farm, alleging that it stole at least $3 million in wages, while also charging its workers for living in crowded, squalid conditions. That suit was eventually settled, and the farm paid $250,000 and would become liable for another $250,000 if it did not comply with strict remedial measures.

The National Institute for Workers' Rights reports that over $15 billion is stolen from workers by their employers across all industries, and that less than 3% of that amount is recovered by the affected workers.

In April of 2025, the owner of a painting company became the first individual to be convicted of felony wage theft in Minnesota. In May of 2025, the Hennepin County Attorney's Office filed felony charges of wage theft and theft by swindle against Bishop Harding Smith, President and Founder of the nonprofit Minnesota Acts Now, for failing to pay his employees the required wage under the terms of his contract with Hennepin County. That matter is scheduled for a jury trial in March. A search of Minnesota Court Records reveals that there has been only one other criminal conviction for wage theft in Minnesota, and that conviction was for a misdemeanor in May of 2022, and was in retail. Overall, it appears that criminal prosecution under Minnesota's wage theft statutes remains a rare occurrence.

Practical Compliance Considerations in Minnesota

Despite what appears to be a downturn in wage theft enforcement in Minnesota, business owners should still be fully prepared for any type of elevated scrutiny. General contractors and subcontractors operating in Minnesota should consider implementing the following measures to control their risk and avoid incurring liability or other penalties as a result of alleged wage theft:

- **Construction Contracts:** Include wage compliance representations and warranties, audit rights, and flow-down obligations to all parties of a construction contract, and/or condition payments on the submission of verified payroll or some method of verification of compliance. Require prompt corrective action and indemnification for wage violations from subcontractors and sub-subcontractors.
- **Payroll and Recordkeeping:** Implement easy-to-use and reliable timekeeping systems, and make sure your employees are property trained on how to use those systems. Maintain complete records of hours, rates, classifications, deductions, and fringe benefits that can be easily reconciled with your certified payrolls and underlying time data. Perform a review of all worker classifications on your ongoing projects and clearly document each individual or entity that is an independent contractor and the reasons for their classification as such.
- **Site-level Oversight:** Conduct site visits and worker interviews to independently verify that your employees are doing what they say they are doing. Monitor subcontractors and their staffing sources. Establish clear reporting channels for workers and ensure that no retaliation occurs for the reporting of potential classification violations.
- **Connect with Local Agencies:** Prior to any issues, do not be afraid to be proactive and reach out to connect and establish a relationship with local agencies. This way, if problems arise, you have a definite point of contact whom you trust. Conversely, the person at the agency may be assured that you are committed to cooperation and correcting any errors.
- **Remediation:** If issues arise regarding misclassification or the payment of wages, investigate those issues promptly, and, if necessary, correct any errors and issue back pay with liquidated amounts as soon as possible. Document the steps you take to remediate any issue, and preserve any documents or records involved, and produce those records promptly in response to audits or investigations.

Conclusion

Wage theft enforcement in construction will remain an active hot topic in Minnesota and nationally, but enforcement so far appears to be minimal. Education on this topic and preparation for any issues that arise is key in this environment. If you need any additional assistance with these issues or further information, the professionals in Bassford Remele's Construction & Real Estate Group remain willing and ready to assist.

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Recoupment: An Overlooked Doctrine That Can Reshape Lien and Bond Disputes

By Kyle S. Willems and Nicolas L. Hanson

Introduction

We are operating in a volatile construction market. Volatility creates pressure, and that pressure often shows up first in payment disputes. When projects costs tighten, the strain is felt not only by owners, but by everyone downstream, including general contractors, subcontractors, material suppliers, equipment lessors, and others whose work and cash flow depend on timely payment.

In that environment, downstream parties are understandably more willing to assert the legal rights available to them when payment disputes arise. Those rights include filing mechanic's liens, asserting payment bond claims, and taking other steps designed to secure payment and preserve leverage.

Those tools exist for a reason. But when lien and payment bond disputes arise, they frequently create a second set of problems that extend far beyond the original payment issue. Attorney's fees escalate quickly. Interest continues to accrue. Positions harden. And instead of pushing the parties toward resolution, the structure of these disputes often drives them further apart. In the worst-case scenario, these disputes can be project and company killers.

This article explains why mechanic's lien and payment bond disputes so often spiral, why the standard responses frequently fall short, and how a less commonly used doctrine under Minnesota law, recoupment, can in the right case offer a more effective path forward.

Why Lien and Bond Disputes Escalate

Mechanic's liens and payment bonds are different legal tools, but they function in similar ways. Both are designed to secure payment by increasing the consequences of nonpayment.

A mechanic's lien attaches to the property and creates immediate business problems. It clouds title, complicates refinancing, and can interfere with sales or project completion. Just as important, and often more damaging in practice, a lien also opens the door to attorney's fee recovery. Under Minnesota law, a lien claimant may be entitled to recover its reasonable attorney's fees, at the discretion of the court, if it prevails in a foreclosure action.

That fee-shifting dynamic is often the single biggest source of conflict in lien cases. Once a lien is filed, the dispute is no longer just about the amount allegedly owed; it becomes about how long the case will last, how much will be spent on lawyers, and who will ultimately bear those costs. Because lien claimants are often told that their fees are recoverable, fee discipline erodes. The longer the dispute lasts, the harder it becomes to settle—especially when you have multiple lien claimants who are each incurring their legal fees and costs.

Payment bond claims create similar pressure through a different mechanism. A bond claim does not attach to the property, but it brings a surety into the dispute. That alone increases leverage. Once a surety becomes involved, the dispute often becomes more rigid, more expensive, and harder to resolve. A bond claim can also create other problems, particularly on public projects.

In both lien and bond cases, particularly on projects involving multiple claimants, the dispute quickly shifts away from the underlying payment issue. It becomes about leverage, sunk costs, and litigation posture. Risk no longer pulls the parties together. It pushes them apart.

The Standard Responses and Their Limits

Owners typically respond in one of two ways.

The first is to fight the lien or bond claim on the merits and hope to prevail. While sometimes that may be the right approach, it often comes with a predictable downside. As the dispute drags on, attorney's fees, costs, and interest

continue to grow. Instead of creating pressure to resolve the case, time increases the cost of compromise.

The second is to bond off the lien or deposit funds with the court to clear title and keep the project moving. This can be necessary to preserve financing, allow unit sales, or complete construction. But clearing title does not necessarily eliminate the forces driving escalation. In many cases, the dispute continues, and the fee and interest pressure remains.

Payment bond disputes raise additional concerns. Once a surety takes a formal position, it is important to remember that the surety is probably less focused on preserving business relationships or keeping projects alive. The surety's primary interest is protecting and enforcing its indemnity rights. That often means identifying an at-fault party and recovering as much money as possible from that party.

In some cases, that focus can be destructive. A surety-driven dispute can harden positions, prolong litigation, and in extreme situations contribute to the collapse of a project or even a company.

As a result, the standard responses to lien and bond disputes often address surface-level problems, such as title or payment pressure, without addressing the deeper economic dynamics that make these disputes so difficult to resolve.

What Recoupment Is and the Legal Concepts That Make It Work

Recoupment offers a fundamentally different approach.

Recoupment allows a party to pay a disputed claim now to stop ongoing harm, while preserving the right to later recover the portion of that payment it believes should not have been paid.

In the lien and bond context, recoupment typically works like this: An owner is facing a lien or payment bond claim that is actively harming the project by clouding title, threatening financing, delaying completion, or increasing downstream risk. Rather than litigating while fees and interest escalate, the owner pays the claim under protest, makes clear that the payment is disputed, and removes the lien or bond claim as a source of leverage. The owner then pursues recovery of amounts it contends were overstated or offset by defective work, incomplete performance, back charges, or other contractual defenses.

Although recoupment is fact-specific, courts tend to focus on a few core concepts.

First, the payment must be genuinely disputed. Recoupment is not available when a party knowingly pays an undisputed obligation.

Second, the payment must be made to avoid real and immediate harm, not merely for convenience or strategy. Courts look at practical realities, not labels. Clouded title, threatened financing, project delays, work stoppages, or similar pressures often satisfy this requirement.

A surety-driven dispute can harden positions, prolong litigation, and in extreme situations contribute to the collapse of a project or even a company

Third, the payer must clearly communicate at the time of payment that the payment is made under protest and that the right to seek recovery is being preserved. This is not about magic words, but clarity matters.

Fourth, there must be a legitimate basis to seek recovery, such as overstatement, defective or incomplete work, or contractual offsets.

Why Recoupment Can Change the Economics and When It Makes Sense

When recoupment works, its effects are often immediate.

In lien cases, paying the lien extinguishes it by statute. If the lien is extinguished, there is nothing to foreclose. As a practical matter, that should also shut down the statutory attorney's fee engine that drives many lien disputes.

In payment bond disputes, timing is critical. Recoupment is often most effective when considered early, before the surety has taken a hard position. Once the surety is fully engaged, and especially once it makes a claim determination and/or issues payment, its indemnity focus adds complexity and reduces flexibility. Addressing the dispute early and communicating clearly with both the claimant and the surety can, if done properly, extinguish the bond claim and remove the surety from the process.

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In both contexts, recoupment lowers the temperature. Claimants are paid. Owners regain control of the project. The dispute narrows to a business disagreement about dollars, rather than an existential fight over leverage.

That said, recoupment is not a cure-all. It works best when there is a legitimate dispute over the amount owed, such as overstatement, defective or incomplete work, or contractual offsets. It is not well suited to situations where payment is simply overdue and undisputed.

Voluntary Payments and the Central Risk of Recoupment

This is where recoupment becomes both powerful and dangerous.

Minnesota courts generally do not allow parties to recover voluntary payments. A voluntary payment is one made with full knowledge of the facts, without compulsion, and without immediate necessity. If a court concludes that a payment was voluntary, the payer is typically stuck with it.

That distinction is critical. If an owner pays a lien or bond claim simply to clean things up, improve leverage, or avoid inconvenience, a court may later conclude the payment was voluntary. This shows that the difference between recoupment and a voluntary payment often turns on compulsion. Courts tend to ask practical questions: Was there a real cloud on title? Was financing at risk? Was the project facing delay or shutdown? Were there reasonable alternatives to payment. Was the payment clearly disputed? These are just some of the examples Courts will consider.

Recoupment is strongest when the payment is made to avoid immediate, concrete consequences that cannot reasonably be postponed. If a lien or bond claim is paid and these risks are not clearly present, the payor may be making a voluntary payment, and some or all of that payment may not be recoverable later.

Conclusion

Mechanic's liens and payment bond claims exist for a reason, and in volatile markets they are used more frequently. But the structure of these disputes often rewards escalation and makes resolution harder than it needs to be.

Recoupment is a less commonly used doctrine that, in the right case, allows parties to stop the compounding harm caused by lien and bond disputes without surrendering their substantive defenses. The tradeoff is risk. If handled casually, recoupment can backfire. If evaluated early and executed carefully, it can be one of the most effective tools available for keeping projects moving and preserving business relationships.

But, the bottom line is this: recoupment should be considered by all parties to a payment dispute early on in the dispute process.

Recoupment is not a cure-all. It works best when there is a legitimate dispute over the amount owed, such as overstatement, defective or incomplete work, or contractual offsets.

Labor and Employment Corner

A Refresher on Commission Laws in Minnesota

By Michael J. Pfau

As we enter the new year, this period often coincides with commission payouts, a natural inflection point when sales professionals reassess their roles and, in many cases, transition to new opportunities. As a result, employers must carefully navigate departures, compensation obligations, and post-employment issues to minimize disruption and reduce exposure to legal and business risk.

"Employee" or "Independent Contractor" Status Determines Payment Timings

As a threshold matter, employers must first determine whether the salesperson is properly classified as an employee or an independent contractor under Minnesota law. That analysis turns primarily on the common-law "right to control" test, which looks at factors such as who controls the manner and means of the work, how the individual is paid, and whether the work is integral to the business.

If your salesperson is an "employee," employers are required to pay in full wages and commissions earned not later than the first regularly scheduled payday following the employee's final day of employment. Minn. Stat. § 181.14, subd. 1. If the employee is discharged, the wages or commissions actually earned and unpaid at the time of the discharge are immediately due and payable upon demand of the employee. Minn. Stat. § 181.13(a). The wages and commissions must be paid in the usual manner of payment, such as direct deposit or check.

However, many sales roles are classified as independent contractors. Minnesota law defines "commission salesperson" as one who is paid on the basis of commissions for sales who is an independent contractor. Whether the commissioned salesperson is terminated or resigns, the employer shall promptly pay the salesperson, at the usual place of payment, commissions earned through the last day of employment. Minn. Stat. § 181.145, subd. 2(a).

If the employer terminates the salesperson or if the salesperson resigns giving at least five days' written notice, the employer shall pay the salesperson's commissions earned through the last day of employment on demand no later than three working days after the salesperson's last day of work.

On the other hand, if the salesperson resigns without giving at least five days' written notice, the employer shall pay the salesperson's commissions earned through the last day of employment on demand no later than six working days after the salesperson's last day of work.

When there is a dispute concerning the amount of the salesperson's commissions earned through the last day of employment or whether the employer has properly audited and adjusted the salesperson's account, the employer can avoid penalties if the employer pays the amount it, in good faith, believes is owed to the salesperson for commissions earned through the last day of employment.

If the dispute is later adjudicated and it is determined that the salesperson's commissions earned through the last day of employment were greater than the amount paid by the employer, the employer may be subject to a penalty plus reasonable attorneys' fees incurred by the salesperson.

If the employer fails to pay the salesperson commissions earned through the last day of employment on demand within the previously discussed period, the employer shall be liable to the salesperson, in addition to earned commissions owed, for a penalty for each day. The daily penalty is an amount equal to 1/15 of the salesperson's commissions earned through the last day of employment which are still unpaid at the time that the penalty will be assessed, capped at 15 days. For high income commissions, this could amount to a stiff penalty—essentially the employer would owe the sales person double the commissions earned if the matter is not resolved within the 15-day period.

Written Policies Are Essential For Employers

Employers should maintain clear written policies addressing the treatment of departing salespeople. These policies should expressly define when commissions are considered "earned," the timing and conditions under which commissions are paid following separation, and how chargebacks, draws, or uncollected accounts are handled.

In addition, employers should outline expectations and obligations that survive termination, including the enforcement of non-solicitation, confidentiality, and proprietary-information agreements. Well-drafted, consistently applied policies not only reduce confusion

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Labor and Employment Corner

and disputes at the point of departure, but also place employers in a stronger position to enforce post-employment restrictions and defend against commission-related claims.

The Bassford Remele Employment Law Group is here to support employers in navigating the complexities of employee departures. From addressing sensitive terminations to ensuring compliance with severance agreements, non-compete clauses, and exit protocols, Bassford's experienced team helps employers handle transitions smoothly and minimize legal risks. Please reach out with any questions.

The EEOC Cracks Down on Reverse Discrimination: How DEI "Perks" May Create Legal Liability

By Andrew T. James

For years, companies have viewed identity-specific networking events, mentorship programs, and "diversity retreats" as low-risk, high-reward "perks." But a new wave of enforcement by the EEOC, and recent United States Supreme Court jurisprudence, are turning that assumption on its head.

On February 18, 2026, the Equal Employment Opportunity Commission ("EEOC") filed a landmark lawsuit against Coca-Cola Beverages Northeast, Inc. alleging that a two-day "female-only" networking trip unlawfully discriminated against the company's male employees. This high-profile enforcement action evidences a massive shift in how the current administration will prosecute—and potentially how the courts may view—so-called "reverse discrimination." Combined with a recent Supreme Court victory for majority-group plaintiffs, well-intentioned DEI programs are no longer insulated from legal liability.

The *Coca-Cola* Case: When a "Perk" Becomes a Problem

The facts of the *Coca-Cola* case serve as a warning for any general counsel or HR leader. In September of 2024, the company hosted a two-day retreat at a luxury casino and resort in Connecticut. Approximately 250 female employees were invited to attend, while no male employees received an invite. The event included keynote speakers, professional networking, and team-building exercises. Crucially, the female attendees were excused from their regular duties and paid their normal wages for those two days.

The EEOC's argument in its filed lawsuit is straightforward: By providing paid professional development and networking to one sex but not the other, the company denied male employees the compensation, terms, conditions, or privileges of employment guaranteed under federal law by Title VII. For the EEOC, it does not matter that Coca Cola's intent was likely to support underrepresented leaders. Under the current federal enforcement posture, any employment action motivated—even in part—by a protected characteristic is a potential violation of federal law.

The Changing Landscape for Reverse-Discrimination Claims in Light of *Ames v. Ohio Dep't of Youth Services* (Lowered Standard of Proof) and *Muldrow v. City of St. Louis* (Broadened Definition of Adverse Employment Action)

The EEOC's newfound aggression is supported by a major legal pivot from the United States Supreme Court. In June of 2025, the Court issued its decision in *Ames v. Ohio Department of Youth Services*, which fundamentally changed the "reverse discrimination" landscape for employers in the Eighth Circuit (which covers Minnesota) and beyond. We wrote about that decision in greater detail at bassford.com. Historically, in many jurisdictions, a "majority" plaintiff (such as a white or male employee) faced a higher legal bar to support a viable discrimination claim. They had to show "background circumstances" suggesting their employer was the unusual type that discriminates against the majority. Because "background circumstances" were difficult to establish, companies could more easily secure dismissal of reverse-discrimination lawsuits before they ever reached a jury. This was a sea change for Minnesota

Minnesota has long been a hub for progressive corporate culture, but in this new legal environment, "affinity" must not mean "exclusion."

employers, as the Eighth Circuit was previously a stronghold for the "background circumstances" defense that often shielded companies from these very claims.

The Supreme Court unanimously rejected that standard last year, holding that Title VII protects the individual, not specific groups. After *Ames*, there is no heightened standard for majority plaintiffs; the law applies exactly the same way to everyone.

Another recent Supreme Court precedent, *Muldrow v. City of St. Louis*, even further amplifies this shift. In *Muldrow*, the Court lowered the threshold for what counts as an "adverse employment action." An employee no longer needs to show a "materially significant" harm (like a firing or a demotion) to sue. They only need to show "some harm."

Considering the Court's holdings in *Ames* and *Muldrow* together, the *Coca-Cola* enforcement action becomes a litigation nightmare. A male employee who is excluded from a high-value networking retreat can now arguably show "some harm" to his career advancement, and he no longer faces an uphill legal battle.

Nor is this a mere blip on the radar. In case there was any doubt about the EEOC's intent, Chair Andrea Lucas erased it on February 26, 2026. She sent a formal "Reminder of Title VII Obligations" to hundreds of Fortune 500 CEOs, general counsels, and board chairs. The message was clear: Race- and sex-based decision-making is an enforcement priority to this EEOC even if the company considered it to be "DEI" or inclusion."

Practical Lessons for Employers

Minnesota has long been a hub for progressive corporate culture, but in this new legal environment, "affinity" must not mean "exclusion." To mitigate risk, companies should consider the following:

- **Audit and Eliminate Identity-Exclusive Programming:** If your company offers a "Women in Technology" or "Minority Leadership" retreat, ensure it is open to all employees, including those who are interested in the subject matter, without consideration of their sex or race. Transitioning from an identity-exclusive approach to a mission-inclusive approach is the most effective way to de-risk these programs.
- **Focus on Outcomes, Not Barriers:** You can—and should—continue to recruit from diverse pools and conduct outreach to underrepresented communities. Title VII prohibits discriminatory decision-making, not inclusive recruiting.
- **Check the "Perks":** Consider your company's formal and informal mentorship programs and employment-related benefits. If a program offers paid time off, access to senior executives, or specific (even informal) training, those are privileges of employment that must be offered on a non-discriminatory basis.
- **Documentation is Key:** Ensure that selection for high-potential programs or leadership retreats is based on documented, job-related, and merit-based criteria.

As federal agencies and courts align on a strict, individual-focused interpretation of Title VII, Minnesota employers must ensure their DEI initiatives are built on a foundation of inclusion—one that does not inadvertently create a path for a reverse-discrimination claim.

Bassford Remele's award-winning Employment Practice Group is here to help with these issues and more. Please reach out to discuss ways that we can help you protect your business or protect your rights.

Labor and Employment Corner

Responding to EEOC Charges: A Guide for Employers

By Michael J. Pfau

Receiving a Charge of Discrimination from the Equal Employment Opportunity Commission (EEOC) or state agency is unsettling for any employer. Even when you believe the claim is meritless, the way you respond can significantly affect the outcome. A thoughtful, organized approach is essential to minimizing risk and protecting the company. Here is a guide for an optimal response.

1. Don't Panic, But Don't Ignore It

An EEOC charge is not a lawsuit; rather it is a formal allegation that triggers a government investigation. For example, a charge can be a complaint of discrimination—not a determination that discrimination has occurred. The notice will include a deadline for submitting a position statement and supporting documents, which is typically 30 days. Missing that deadline can create the impression that the employer is uncooperative or has something to hide. The first step is simple: calendar the response date and take the matter seriously. If the employer needs additional time to respond, contact the investigator assigned to the charge. The EEOC may grant an extension to respond.

The position statement is the employer's primary opportunity to tell its side of the story. It should be factual, professional, and supported by evidence.

2. Immediately Preserve Relevant Evidence

As soon as a charge is received, employers should issue a litigation hold to ensure that relevant emails, personnel files, time records, and other documents are preserved. Destruction of evidence, even if routine, can later be portrayed as retaliation or obstruction. Preservation should include electronic data and communications involving supervisors or decisionmakers connected to the complaining employee.

3. Conduct an Internal Investigation

Before drafting any response, the employer needs to understand what actually happened. Interview key witnesses, review personnel records, and gather objective documentation such as performance reviews, disciplinary notices, and company policies. Often the EEOC charge presents only one side of the story. A prompt internal review allows the employer to identify legitimate, non-discriminatory reasons for its actions. The key is to gain an understanding of the whole picture, including the bad.

4. Draft a Clear, Credible Position Statement

The position statement is the employer's primary opportunity to tell its side of the story. It should be

factual, professional, and supported by evidence. Avoid coming off as defensive. Effective statements typically include:

- A concise timeline of relevant events;
- Identification of decisionmakers;
- Legitimate business reasons for the challenged action;
- Citations to policies or records that support the employer's position; and
- Explanations that directly address each allegation.

Overly brief responses can appear evasive, while excessively long narratives may raise unnecessary issues. Striking the right balance is critical. Attaching relevant documents such as key communications, disciplinary notices, and pertinent policies will also add credibility to the employer's position statement.

5. Avoid Retaliation at All Costs

Once an employee files an EEOC charge, they are protected from retaliation. Any negative employment action taken after the filing, including discipline, schedule changes, or termination, will be closely scrutinized. Employers should ensure that managers understand this and that any subsequent decisions are carefully documented and based on legitimate reasons.

6. Cooperate With the Investigation

At times, the EEOC may follow up with the employer after the employer submits its position statement. The EEOC may require the employer to respond to a Request for Information, which may include providing personnel policies, personnel files, and other relevant information. In other circumstances, the EEOC may request an on-site visit, send requests for additional information such as employee contacts, or even request to make them available for witness statements. The employer should timely respond to such requests and cooperate with the EEOC.

Because a charging party may add to their existing charge and file new ones if any discrimination or retaliation occurs while the charge is being investigated, the EEOC may request additional information accordingly. The employer should timely respond to any amended charges or requests.

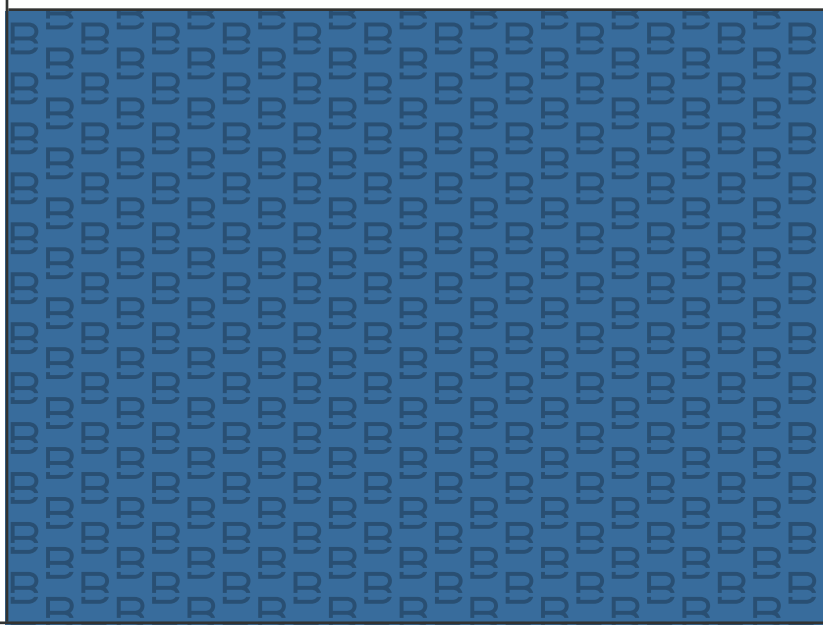
7. Involve Counsel When Appropriate

While employers can respond to charges on their own, involving experienced employment counsel often leads to stronger, more strategic responses. Attorneys can help frame legal arguments, maintain privilege over sensitive communications, and prevent missteps that could later be used in court.

Final Thoughts

An EEOC charge does not have to turn into a disaster. Employers that respond promptly, investigate thoroughly, and present a well-supported position dramatically improve their chances of a favorable outcome. Treat the process with care and professionalism, and it can often be resolved with minimal disruption to the business.

The Bassford Remele Employment Law Group is here to support employers in responding to EEOC charges and investigations. We understand that agency investigations can be disruptive and time-sensitive, and we focus on minimizing business interruption while protecting the company's legal interests. Our practical, proactive approach is designed to resolve matters early whenever possible and to place employers in the strongest position should litigation ultimately follow. Please reach out with any questions.



Team Member Intro

William T. Brunner

Where are you from?
I was born in Yankton, South Dakota, but I grew up in Sioux Falls, South Dakota.

What do you do in the real estate and construction industry?
I primarily represent contractors and property owners in construction or design defect disputes. I also enjoy the transactional side of practice, particularly advising clients on how to mitigate risks and avoid litigation.

How would you describe your job to a five-year-old?
I am the person Bob the Builder would call if he had trouble on a construction job..

First job?
I worked in landscaping during the summer months in high school.

What did you want to be when you grew up?
I wanted to be a professional, working musician.

What is the best super power?
Despite my fear of heights, I would say flying because it would make my commute to work quicker.

If you could pick up a new skill in an instant, what would it be?
I wish I could play piano and sing simultaneously, like Billy Joel or Jerry Lee Lewis.

You can only eat one food for the rest of your life. What is it?
My family is part Italian (despite my German last name), so I would choose pasta with "Sunday gravy" which is a tomato sauce with various braised meats like meatballs, sausages, or braciole.

What is a weird food you have tried?
Bavarian weisswurst (it was quite good).

If you could live in any state, which state would you pick and why?
I am a bit of a homebody, so I will pick South Dakota. If I had to pick a different state, I would pick Illinois because I've got great memories of visiting family in Chicago.

Favorite place you have ever visited?
Munich, Germany. It was rich in history, had amazing food, and had no shortage of beautiful architecture.

What is on your bucket list?
I would love to see the Pyramids of Giza.

Favorite family tradition?
We always have homemade Italian food and desserts on Christmas, which is my favorite part of the holiday season..

Have you had your 15 minutes of fame yet?
I really hope this was not my 15 minutes of fame, but during high school, I made it on the local news for playing guitar with the pep band at basketball games.

Favorite season?
Fall. I am a big fan of light jackets, fall colors, and cooler weather.

Favorite thing you've bought in the past year?
An engagement ring!

Favorite charity you wish more people knew about?
St. Francis House in Sioux Falls.

What is one thing that people would be surprised to learn about you?
During the summer months, I spend a lot of time working on my 1968 Dodge Charger. Now that I am back in South Dakota, I am planning to take it more frequently to our local quarter-mile track this summer.

In the Community

Bassford Remele Annual Construction Law Summit

A big thank you to all those who attended Bassford's Construction Summit on May 14! A special thank you to our great panelists:

- Jessi Wagner, Deputy General Counsel, McGough Construction
- Laura Ziegler, Director of Government Affairs, Associated General Contractors of Minnesota
- Jeff Olejnik, Cybersecurity Expert & Consultant, Wipfli
- Michael Campo, Partner, Baldwin National Construction Group
- The Honorable Jerome B. Abrams, Retired Judge, First Judicial District, JAMS

AGC Construction Summit

Bassford Remele was proud to sponsor this year's AGC Construction Summit. Will Brunner and Nico Hanson were ready to hand out Bassford Remele swag, and raffle the Yeti cooler!

Shad Christman and Will Brunner attend the South Dakota AGC Convention

Shad Christman and William Brunner attended the South Dakota AGC's annual state convention in January in Sioux Falls, which was conveniently held right next door to Bassford Remele's Sioux Falls office in the Steel District at the Canopy by Hilton. Shad and Will had the opportunity to speak with dozens of local contractors, subcontractors, and stakeholders to discuss the widespread growth and development occurring in the Sioux Falls Metro Area. While uncertainty remains surrounding prices, tariffs, labor concerns, and other matters, the consensus of attendees appeared bullish about a busy and prosperous 2026. Shad and Will were grateful for the connections they made and hope to continue to reach out to anyone in the Sioux Falls construction industry to see how Bassford Remele can help them reach their 2026 goals.

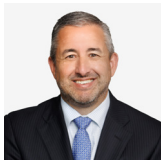
Sioux Falls Ribbon Cutting ceremony

Beth LaCanne at an AWC Member Mingle

Accolades

Kyle Willems has been elected to the Associated General Contractors of Minnesota Board of Directors and serves on its Contracts and Policy Committees. He is also a member of the Minnesota State Bar Association Construction Law Section Council and Bassford Remele's Board of Directors.

Kyle was named the 2025 Real Estate Lawyer of the Year by the *Minnesota Real Estate Journal*, recognizing his leadership on significant real estate and construction projects, success in resolving complex disputes, and commitment to advancing excellence in the field. He was also named to the *Minnesota Lawyer* Minnesota 250 and is recognized in *The Best Lawyers in America*, Minnesota Rising Stars (*Super Lawyers*), and *Minnesota Monthly* Top Lawyers in Construction Law and Construction Litigation



John Holper was named to the *Minnesota Lawyer* Minnesota 250, recognizing the state's most influential attorneys. He is listed in *The Best Lawyers in America* for Construction Law, Construction Litigation, and Real Estate Litigation, and has been selected to Minnesota *Super Lawyers* and *Minnesota Monthly* Top Lawyers. John is rated AV Preeminent® by Martindale-Hubbell® and was recently elected to the Bassford Remele Board of Directors.

Jeffrey Mulder was selected to the *Minnesota Super Lawyers* list and serves on the Bassford Remele Board of Directors.

Barry Sackett was selected to the *Great Plains Super Lawyers* list. He serves as Managing Shareholder of the firm's Sioux Falls office and sits on the Rotary Downtown Sioux Falls Board of Directors.

Jeffrey Klobucar was selected to the *Minnesota Super Lawyers* list and *Minnesota Monthly* Top Lawyers list. He was also named to the Best Lawyers list in Commercial Litigation and Bankruptcy and Creditor/Debtor Rights/Insolvency and Reorganization Law. Jeff is rated AV Preeminent® by Martindale-Hubbell®.

Bryce Riddle was named to Best Lawyers: Ones to Watch in Commercial Litigation and selected to the Minnesota Rising Stars list by *Super Lawyers*.

James Kovacs was named to Best Lawyers: Ones to Watch in Appellate Practice, Construction Litigation, Personal Injury Litigation, Commercial Litigation, and Insurance Law.Star Lawyer by the Minnesota State Bar Association.

Beth LaCanne was named to Best Lawyers: Ones to Watch in Labor and Employment Litigation and Professional Malpractice Law and selected to the Minnesota Rising Stars list by *Super Lawyers*. She is in the third year of a four-year term on the Commission on Judicial Selection for the Tenth Judicial District, serves as Vice President of the Hennepin County Bar Foundation, and is a member of the American Bar Association Forum on Construction Law, Division 6 (Labor & Employment).

Michael Pfau was named to Best Lawyers: Ones to Watch in Real Estate Litigation, Labor and Employment Litigation, and Construction Law. He teaches employment law at the University of St. Thomas School of Law and serves on the board of directors for the Hennepin County Bar Association.

John Holper Elected to Bassford Remele Board of Directors

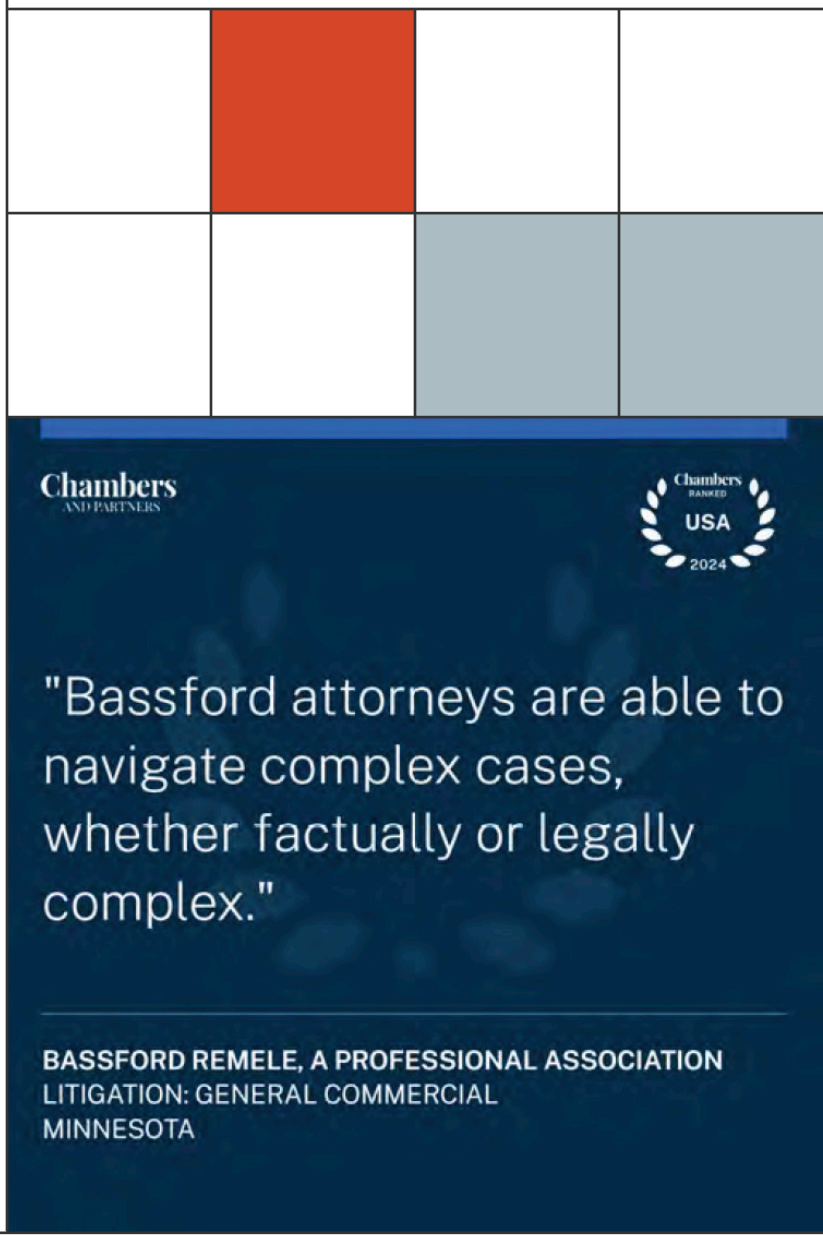
John Holper was recently elected to the firm's board of directors. "John is a trusted leader and an exceptional advocate for his clients," said Jessica Klander, president and chair of the board at Bassford Remele. "His deep knowledge of the construction and real estate industries, combined with his practical, solutions-oriented approach to risk management and dispute resolution, makes him a tremendous asset to our board and to the future of our firm. He is also a wonderfully thoughtful person who consistently works toward consensus and collaboration, qualities that strengthen both our board and our firm as a whole."

With more than 30 years of experience, John is widely regarded for his judgment, professionalism, and commitment to client service. His longstanding recognition on Minnesota Monthly's Top Lawyer list, Minnesota Super Lawyers list and The Best Lawyers in America, together with his AV rating for ability and ethical practice, underscore his respected standing in the legal profession.

Bassford Remele congratulates John on his appointment to the board and looks forward to his continued leadership and insight.

Team Bassford Brigade—attorneys John Holper and Michael Pfau—had a strong opening match and was honored to support NAIOP's charity partner, Every Third Saturday (ETS). We're already looking forward to hitting the courts again next year!

Bassford Remele has been recognized in the 2026 edition of Best Law Firms®, a testament to our unwavering commitment to legal excellence. Firms included in the 2026 Best Law Firms list are recognized for professional excellence with impressive ratings from clients and peers. Achieving a ranking in Best Law Firms signifies high-quality legal practice and a depth of legal proficiency. Bassford has received rankings in Construction Litigation, Construction Law, Commercial Litigation, Bet-the-Company Litigation, and sixteen other practice areas.



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