

## BABC Recognizes James W. Constable for 50 Years of Practice



On May 30, 2018 the [Bar Association of Baltimore City](#) will be honoring attorneys who have been practicing law for 50 years, among whom will be Wright, Constable & Skeen partner, [James W. Constable](#). Jimmy is a fifth-generation Constable to practice law in Maryland.

Over the span of his professional life, beginning with the firm of Constable, Alexander & Daneker, the firm has

grown to over 30 lawyers and is now Wright, Constable & Skeen, LLP. Jimmy is known for guiding closely held companies, non-profits, and for his experience in the world of commerce, succession planning, commercial and business litigation. He has been an arbitrator for much of his career, hearing and deciding U.S and international cases for the American Arbitration Association, International Centre for Dispute Resolution, and International Chamber of Commerce.

Jimmy has a long history of civic involvement including a founder, president and Chair of The Manor Conservancy, board member and Chair of the statewide Maryland Environmental Trust, Chair of the Baltimore County Landmarks Preservation Association, Trustee and a Vice Chair of the Maryland Historical Society, and Trustee of Notre Dame of Maryland University.

Long time law partner, David W. Skeen commented, "I have always admired Jimmy's dedication to his clients and as an advocate for environmental causes and land preservation in Maryland. I could not have had a better person to practice law with over these many decades."

## Contractor Beware

By [Don Walsh](#)

An indictment handed down in April serves as yet another warning to contractors who are seeking to skirt the lines on management and ownership interests and claiming a preference status for obtaining government contracts. If an entity is seeking federal or state recognition as a set-aside eligible business, it must ensure that it continues to meet the requirements legally and in reality or be exposed to stiff penalties including the possibility of jail.

In Wisconsin, a federal grand jury returned a twenty-two count Indictment charging three defendants with a 12-year fraud and money laundering scheme involving over \$200 million in government-funded contracts intended to benefit small



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businesses. According to the Indictment, the conspiracy involved operating construction companies with straw owners who qualified as a disadvantaged individual or as a service-disabled veteran, but who did not actually control the companies. These conspirators then fraudulently obtained small business certifications to win over \$200 million in federal, state, and local contract payments for construction contracts that were set aside for Small Disadvantaged Businesses or Service-Disabled Veteran-Owned Small Businesses. The Indictment alleges that “the conspirators enriched themselves, undermined the small business programs, and deprived honest small businesses of opportunities for work.” The maximum penalties for each of the wire and mail fraud-related charges are 20 years in prison, a \$250,000 fine, and forfeiture of criminal proceeds including real estate, a 2014 Chevrolet Corvette Stingray Convertible; and more than \$2.2 million seized from two bank accounts.

As tempting as it may be, before you chase preferential government work, make sure you satisfy the actual legal requirements of the government for ownership and control over the operations. If not, keep a toothbrush packed in case the federal authorities come calling.

## Succession of Your Family Business' Success

As a recent survey noted, family-owned businesses continue to dominate our economy but they also struggle with issues of succession more often than others. SCORE completed a survey to assess the role of family-owned businesses on our national economy and published an infographic with the results. According to the survey ([found here](#)).

Family-owned businesses are the single biggest job creator in our economy employing 60 percent of the U.S. workforce and are responsible for 78 percent of all new jobs created in the United States.

- Family-owned businesses include such megacompanies as Walmart, Ford Motor Company and Cargill. On the other end of the spectrum, of the 28.8 million small businesses in the United States, only 19% are family-owned.
- Only 30% of family-owned businesses successfully pass from the first generation to the second.
- Only 12% of family-owned businesses successfully pass from the second generation to the third generation.
- Overwhelmingly, family-owned businesses do not set themselves up for success in transitioning to the next generation with 47% of current family business owners expecting to retire in the next 5 years but have no succession plan in place.

At WC&S, we have successfully represented many family owned businesses across multiple generations. If you would like to join our **Family Business Roundtable** which focuses on issues and discussions unique to such businesses, please contact [jhyatt@wcslaw.com](mailto:jhyatt@wcslaw.com).

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*Wright, Constable & Skeen is ranked as a Tier 1 law firm by U.S. News & World Report in Baltimore in numerous practice areas. It is a full-service law firm representing businesses and individuals in national and local matters including: Commercial Litigation, Construction, Estates & Trusts, Family Law, Fidelity and Surety, Government Contracting, Health Care, Labor & Employment, Immigration, Insurance Defense, Intellectual Property, Bankruptcy & Creditors' Rights, Maritime & Transportation, Real Estate, Mediation and Arbitration.*