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Homeowner Recovers from Individual Owner of a Limited Liability Company

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The protection afforded to individuals who own solely, or with a small group, a limited liability company (LLC) is one of the key reasons that people incorporate such companies. From time to time, however, we see court decisions that either pierce the corporate veil, or find some other way to impose personal liability on the individual owners instead of limiting the liability only to the LLC.

Where a homeowner sued the LLC that built their home, a court found it appropriate to impose liability directly against the individual owner of the company for a number of reasons. After the written contract had been signed, the LLC owner continued to orally modify the contract and deal directly with the homeowner in such a way that the homeowner became uncertain and confused as to whether the LLC owner or the corporation was responsible.

The individual LLC owner also was personally liable for tortuously causing debris to be buried underground on the homeowners lot. The main points the court made were that the relationship between the parties changed over time, and based on the LLC owner's conduct, it became unclear to the homeowner with whom they were dealing in regard to various elements of the construction agreement.

The court did not impose liability on the individual because of his corporate position, but rather because of his personal behavior and interaction with the homeowner that clouded and confused responsibility. Without even resorting to piercing the corporate veil, the court imposed personal liability. *Joseph General Contracting v. Couto*, 72 A.3d 413 (CT 2013).

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