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Stradley Ronon Advises International Fidelity Insurance in Avoiding $600K Windfall Payment in $2M Surety Bond Case

In *H.C. Pody v. International Fidelity Insurance*, the U.S. District Court for the Eastern District of Pennsylvania sided with International Fidelity Insurance Co., represented by Stradley Ronon, denying a contractor's demand for the full penal sum on a mechanics lien discharge bond. The contractor argued that the bond issued with a $2 million penal limit entitled it to the full penal sum even though that amount was $601,975 beyond the underlying lien judgment.

The court disagreed, holding that the bond covered only the actual judgment amount — not the entire bond limit — and granted our client's motion for judgment on the pleadings. In its opinion, the court noted the contractor was "stretch[ing] the language of the surety bond beyond its agreed scope to claim hundreds of thousands of dollars that no court awarded it."

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