



Private Company Claims: What Could Go Wrong?

A lawsuit was filed by the insured's minority shareholder, alleging the insured breached its fiduciary duties by engaging in oppressive behavior to the detriment of the minority shareholder. After extensive litigation, the plaintiff agreed to sell his shares back to the insured and dismiss the lawsuit in exchange for **\$3 million**. An additional **\$410,000** was incurred in defense costs.

A lawsuit was filed by the insured's former business partner alleging the insured failed to pay the plaintiff her share of profits earned under a joint venture agreement. The lawsuit alleges unjust enrichment, breach of contract and breach of fiduciary duty. Defense costs are approaching **\$100,000** and the parties are discussing a settlement in the range of **\$300,000**.

The insured sued its former business partner after it failed to pay the insured for services. The insured's former business partner countersued alleging breach of contract and unjust enrichment. Approximately **\$75,000** in defense costs have been incurred to date, and the parties are now discussing settlement.

An insured's shareholder filed a lawsuit against the insured's board of directors for breach of fiduciary duty alleging the directors failed to disclose adequate information about the company's financials to the detriment of the shareholder. Although the claim appears to be defensible, the insured has incurred approximately **\$50,000** in defense costs.

The insured was sued by its former consultant alleging the insured violated the False Claim Act by presenting materially false and fraudulent information to the U.S. government. After extensive document discovery was exchanged in the lawsuit, the parties agreed to settle the case for a total of **\$250,000**. The insured incurred approximately **\$185,000** in defense costs.

A plaintiff sued an insured alleging the insured agreed to purchase the shares of the plaintiff's company and wrongfully failed to close the transaction and pay the plaintiff for the value of his company's shares. The lawsuit alleges fraud, negligent misrepresentation and breach of contract. The parties are undergoing extensive discovery and motion practice. The insured has incurred approximately **\$200,000** in defense costs to date.