

Foundations and Grant-Making Organizations: What Could Go Wrong?

A Human Resources Director of a foundation, employed for only four days, filed a civil complaint alleging retaliation against the foundation. Within the first few days of employment, the plaintiff advised her supervisor of sexual harassment complaints brought by several other employees against a coworker who had previous harassment complaints. The insured terminated her the next day. The case presented serious timing issues between the complaint and the termination. The matter resolved for **\$62,500** with another **\$28,000** in costs of defense.

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A former long-time employee sought redress for wrongful termination and age discrimination, asserting she was pushed out of her job, told to go on Social Security and Medicare, and is now unemployable because the insured casually told others in the community she had retired. The claimant provided a witness affidavit claiming the Executive Director made inappropriate age-related comments. The case settled at mediation for **\$75,000**, with defense costs (including mediation fees) in excess of **\$10,000**.

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A foundation was sued by an individual claiming to be the rightful owner of valuable photographic prints, which were allegedly his own work or gifted to him by a famous photographer. The plaintiff was difficult and the case pended for many years as the non-monetary issues could not be resolved, despite numerous settlement conferences with the court. Incurred defense costs were in excess of **\$650,000**.

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A third party filed a suit for alleged wrongful termination, whistleblower retaliation and age discrimination against her true employer and three other entities, including the insured foundation. The claimant contended that all of the entities were jointly liable for her damages. The matter settled for **\$400,000** with a **\$100,000** contribution from the Directors' & Officers' policy and an additional **\$85,350** in defense costs.



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*Rating affirmed March 20, 2015

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