

Recreation and Youth-Related Organizations: What Could Go Wrong?

A youth baseball organization was sued by a group of individuals and neighbors alleging they were denied membership in the organization, the board was not following governing documents and the board was engaged in self-dealing. The matter resolved when the insured agreed to accept the claimants as voting members, to administer elections consistent with governing documents, and make a payment of **\$24,500** for the claimants' attorneys' fees. Costs of defense were nearly **\$20,000**.

A third party sued the insured, an event organizer, for breach of contract and collusion between the insured organization and several other parties. The third party sought more than \$2 million for improper termination of a contract. After extensive discovery, the insured and its choice of counsel began pushing for settlement. **\$400,000** was paid toward the settlement and **\$488,500** in defense costs.

An officer of a youth organization filed suit for alleged race and national origin discrimination, breach of contract and defamation. The claimant maintained that he was one of only two minority senior managers. The claimant alleges that he was discharged in retaliation for questioning the organization's spending practices. The matter settled for **\$135,000**, with an additional **\$26,400** in defense costs.

A former employee of a recreational nonprofit filed an administrative charge and suit for alleged retaliation after filing for workers' compensation benefits for a serious and permanent work-related injury. The claimant also alleged he was subjected to discriminatory treatment based on his age and disability. The matter settled for **\$75,000**, with an additional **\$47,000** in defense costs.



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