

Financial Services Firms: What Could Go Wrong?

A former high-earning employee of a mortgage broker sent a demand letter to the company alleging wrongful termination and misrepresentation concerning an employment agreement. The claimant is seeking nearly \$1 million in damages. The parties have agreed to engage in pre-suit mediation, and defense costs to date are approaching **\$100,000**.

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An EEOC charge against an insurance company alleged that a former employee was discriminated and retaliated against in violation of FMLA, Title VII, the Americans with Disabilities Act and the TX Commission on Human Rights Act. The claimant took FMLA leave for work-induced anxiety. The company allegedly took adverse action against the claimant, including requiring weekly check-ins, making disparaging comments, a demotion and eventual termination. The matter settled at mediation with the EEOC for **\$25,000**.

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A former employee of an investment and lending firm alleged sex and pregnancy discrimination after her position was eliminated upon her return from maternity/FMLA leave, and she declined a demotion. The firm retained defense counsel and the matter was settled for **\$70,000**.

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The principal and operations manager of a securities firm were named as defendants in a lawsuit filed by a former employee. The lawsuit alleged that the former employee was released from his employment after seven years of service. The former employee maintained that he was discriminated against on the basis of his age and disability. The lawsuit also included allegations of promissory estoppel, fraudulent inducement and breach of contract, based upon alleged representations made to him that the firm would pay his salary until such time as disability insurance benefits became available to him. The long-term disability carrier for the firm denied the former employee benefits under the policy. The matter settled for **\$200,000**.

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