

Manufacturing and Industrial Companies: What Could Go Wrong?

A lawsuit was filed against a manufacturing company alleging that it terminated the plaintiff in retaliation for having filed a worker's compensation claim. The plaintiff failed to pursue the claim, and after allowing an extended period of time to pass, voluntarily dismissed the action.

The plaintiff refiled the suit, but failed to properly serve the company before it dissolved through bankruptcy and ceased to exist. The second lawsuit was dismissed, but still cost the manufacturing company **\$16,919** in defense.

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This matter involved an arbitration of a termination and improper use of likeness of a former employee. The claimant was terminated for insubordination, but the company continued to use videos of the former employee on its website. The company stopped using the videos shortly after receiving notice of the allegations.

The claimant and his attorney refused to negotiate any settlement and lost at arbitration. The claimant has moved to vacate the arbitration award. Defense costs to date total more than **\$130,000**.

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An EEOC charge was brought by a former employee and warehouse supervisor. The claimant alleges he was subject to disparaging racial remarks made by a sales person, and despite reports to the human resources department, his concerns were not adequately addressed. The matter was eventually **dismissed** by the EEOC.

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An industrial firm and its CEO were involved in an eight-year battle with a pharmaceutical manufacturer. The manufacturer pursued the insureds, along with 60 other parties, over the alleged repackaging and selling of its products with improper labeling. A court found these actions violated the manufacturer's trademarks and determined that the CEO was personally liable. The insureds were also ordered to stop selling the repackaged products. Coverage was available to the CEO. **\$800,000** of a consent judgment was paid and **\$65,000** was spent on defense costs.



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*Rating affirmed March 20, 2015

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