

Real Estate Companies: What Could Go Wrong?

A third party brought suit against a real estate firm claiming joint-employer relationship and sought damages for failure to supervise. The alleged perpetrator was an employee of the real estate firm. The parties settled at mediation, and **\$16,000** was paid toward the settlement, with an additional **\$7,750** for defense costs.

Homeowners sued a company for interference with contract. The homeowners alleged that the company delayed the delivery/construction of their pre-fabricated home and, ultimately, property damage due to exposure to weather. **\$22,000** was paid in defense costs, with additional costs covered by a CGL carrier due to the property damage allegation.

A property management firm was sued by a former employee for racial discrimination. The matter involved an EEOC charge and may develop into a lawsuit. The firm awaits a decision by the agency.

A former employee of a parking garage filed a lawsuit alleging that he refused his employer's demands to falsely state in an affidavit that a visitor to the parking garage, whom he observed fall, actually fell because she was not paying attention, rather than as a result of certain hazards in the garage. The employee also alleged that he informed his employer that he planned to report the matter to the police. He claimed that this resulted in an altercation between himself and his supervisor and that he was suspended without pay shortly thereafter. The claimant alleged that he suffered emotional distress and was unable to return to work as a result of the events. Nearly **\$150,000** was spent in defense and settlement costs.

The director of operations for a real estate firm was earning about \$90,000 per year and had been employed with the firm for 18 years. She retained an attorney who drafted a complaint alleging harassment, assault and retaliation. The director alleged that she was verbally harassed and assaulted by a fellow board member. She claimed that she reported the harassment to the rest of the board and requested the ability to work from home while the firm investigated the situation. According to the director, the firm failed to hold any meaningful investigation into her claims and refused her accommodations to work away from the office. The firm confirmed the validity of the director's allegations and admitted that it failed to take any corrective action against him. The matter settled for **\$90,000** prior to going to trial.



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*Rating affirmed March 20, 2015

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