

Technology Firms: What Could Go Wrong?

A former employee sent a demand letter alleging wrongful termination, retaliation and defamation in violation of labor codes. Specifically, the claimant was hired pursuant to a written employment agreement.

The claimant alleges that, despite receiving a positive performance review and being told she would receive a raise and retroactive pay, the company did not pay her. Upon making a formal complaint to management, the claimant alleges she was wrongfully terminated and escorted off the property by security. Defense costs were **\$10,037** and the settlement was **\$27,500**.

A dispute arose when a technology firm hired employees of the plaintiff and then bid a project using information it gained from the employees. Parties are in the midst of a forum dispute and nearly **\$200,000** in defense costs have been paid to date.

After being in business for six years, an IT firm was sued by its service provider, a loan processing company for an alleged breach of contract, misappropriation of trade secrets and breach of fiduciary duty. Intense litigation led to more than **\$150,000** in defense costs, with the matter ultimately settling for more than **\$500,000**.

A database management firm was named in an EEOC charge for wrongful termination by a former employee. The firm and the former employee were unable to resolve the matter at mediation because of the employee's extremely high demands. More than **\$130,000** was spent in defense costs before the matter settled for **\$285,000**.

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*AM Best rating affirmed December 3, 2021

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