

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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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**.

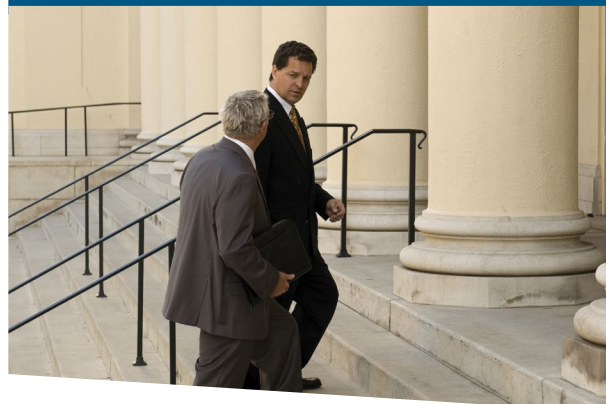
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An EEOC charge was brought by a former employee and warehouse supervisor. The claimant alleges he was subject to disparaging racial remarks made by a sales person, and despite reports to the human resources department, his concerns were not adequately 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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Car Dealerships: What Could Go Wrong?

Two former sales managers alleged the company failed to pay agreed upon commissions on new and used autos. The plaintiffs alleged the dealer fraudulently reported the actual sales prices of autos at auction and inflated maintenance costs to reduce commission calculations. The matter settled at mediation for **\$275,000**. Costs of defense were **\$52,000**.

An EEOC charge was filed by a former employee for alleged discrimination based upon race, religion and age. The matter eventually settled for **\$25,000**, and **\$27,000** was also paid in defense costs.

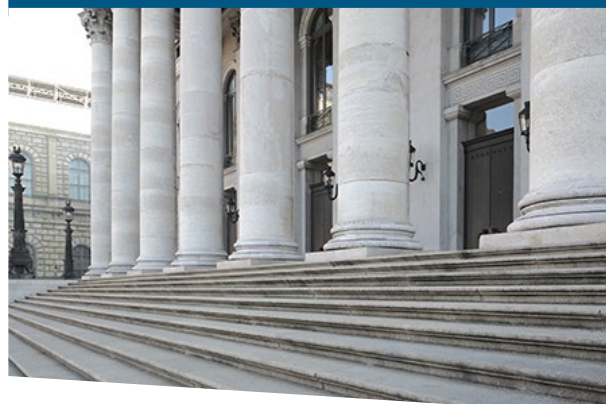
A former employee filed a disability and race discrimination EEOC charge. The charge was filed after the dealership terminated the employee for poor performance three days after the employee requested a medical leave. Due to serious timing issues and a lack of documentation relating to the alleged poor performance, the matter was settled for **\$42,500**, plus **\$13,000** in defense costs.

A former employee filed a complaint alleging retaliation, wrongful termination and seeking unpaid commissions. The manager of the dealership believed the lawsuit was meritless and motivated by the employee's personal grudge against the owner of the dealership. The company alleged that the employee was hired in a sales position, was given multiple chances to improve performance and correct mistakes and was never actually terminated. More than **\$300,000** was spent in defense costs before settling for **\$525,000**.

Two former employees and a current employee filed a complaint against a dealership and its managers for alleged race discrimination, hostile work environment and retaliation in violation of federal and state law. The employees alleged that they were fired or passed over for a promotion because of their race. The employees also alleged that management failed to take any corrective action to address the racially hostile work environment.

The employees made a combined demand of \$2.5 million. Following the dealership's partial success on a summary judgment motion, the matter settled for **\$375,000**, with an additional **\$160,000** in defense costs.

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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**.

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**.

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**.

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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Construction and Contracting Firms: What Could Go Wrong?

A class of landscapers contended they were paid below living wage and/or minimum wage. It was a purported class action wage claim that settled. Class notification is in process and more than **\$25,000** has been paid in defense costs.

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A former employee filed a complaint with the Department of Labor and later filed suit alleging FMLA violations. The claimant contended she was on leave for pregnancy complications and was terminated for falsifying a physician note to extend her leave. The parties eventually settled, and **\$28,000** was paid toward settlement and defense costs.

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Various subcontractors involved in a construction project managed by the company filed several administrative complaints alleging discrimination, harassment and retaliation. A state agency issued a \$366,000 punitive damages award, which is not expected to hold up on appeal of the entire decision. **\$100,000** has been paid in defense costs and global settlement efforts are underway.

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A claimant alleged she was not promoted to a management position because she was pregnant. She further contended she was constructively discharged after returning from maternity leave, because of alleged severe harassment for filing her charge. A summary judgment motion has been filed and settlement discussions are underway.

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A former employee alleged he was terminated for complaining about unsafe work conditions. The matter settled for **\$35,000**, but only after **\$70,000** was incurred in defense costs.

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Insurance Agencies: What Could Go Wrong?

A former employee of an insurance agency filed a discrimination charge with the EEOC alleging federal claims of sex discrimination, and a civil suit alleging state law claims of sex discrimination and a whistleblower retaliation claim. The matter was settled early in the litigation. **\$65,000** was paid as settlement and **\$18,000** was spent in defense costs.

A former employee filed an administrative charge of alleged sexual harassment and retaliation. The state agency that handled the matter found cause due to multiple employees corroborating the allegations and asserting similar allegations of harassment against the CEO of the agency for regular hugs and sexually suggestive comments. The matter settled for **\$20,000** after incurring approximately **\$32,000** in defense costs.

A former employee filed a complaint alleging wrongful termination, race discrimination and retaliation. Specifically, the claimant alleges that he showed interest in a more senior position. However, the claimant contended the company hired two females with less experience for the position without interviewing him. The claimant also alleges a hostile work environment and racist comments. Defense costs and the settlement totaled **\$20,000**.

A former employee filed a complaint against an agency and its former directors and officers claiming breach of an employment agreement and various wage violations. **\$47,500** was paid in settlement and more than **\$50,000** was paid in defense costs.

A former employee filed an EEOC charge alleging gender discrimination, retaliation and assault. The claimant had a personal relationship with one of the agency partners who was ousted from the company. The claimant was a high-wage earner, but contends she was fired shortly after asking why males were paid more than females for the same work. The matter eventually settled for **\$95,000**, with an additional **\$6,400** in defense costs.

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Health Care Providers: What Could Go Wrong?

Three former employees of a resident care facility alleged they were terminated from employment for reporting resident neglect to the state department governing the entity. The matter settled for **\$45,000** cumulatively for all three claimants.

A medical facility was sued for allegedly terminating the claimant in retaliation for objecting to the facility's alleged "illegal sanitizing and disinfecting procedures" of medical equipment. Nearly **\$50,000** was paid in defense costs.

A former employee of a radiology center filed an EEOC charge and later made a demand for unpaid overtime wages, as well as advising that a suit would be filed for age and race discrimination. The center provided a response to counsel for the claimant, but suit was never filed. Although no settlement was paid, **\$4,700** was paid in defense costs.

The former director of clinical programs at a medical clinic alleged sexual harassment and discrimination, retaliation and unpaid overtime. The director was involved in a consensual relationship with the owner of the clinic. However, the director maintained that after the relationship concluded, she was subjected to untoward advances from the owner. After several attempts to resolve pre and post litigation, a settlement was reached. Nearly **\$60,000** was paid in defense and settlement costs.

A former employee who served as legal counsel for a clinic filed a complaint before a state administrative agency for alleged discrimination based upon sex. She contended that she routinely challenged unequal pay in comparison to her male counterparts and certain management's general discriminatory treatment of women in the workplace. She alleged that she was terminated in retaliation for opposing such practices. The matter settled for **\$60,000** with **\$162,000** in defense costs.

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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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Restaurants: What Could Go Wrong?

A former employee filed an EEOC charge of discrimination alleging age discrimination and later filed a lawsuit alleging age discrimination and unpaid overtime. The parties settled for **\$72,500**, with an additional **\$40,000** in defense costs.

A lawsuit was brought by a class of service workers against a restaurant franchise alleging the employees were not paid overtime wages in violation of state wage and hour laws. **\$100,000** was paid in defense of the claim.

A former employee brought claims of religious discrimination and hostile work environment. An independent investigation found some merit to hostile work claim. The claim settled for approximately **\$75,000**.

A number of restaurant servers filed a collective action against the company and several affiliated restaurants for wage and hour violations. The matter was ultimately resolved without the company being required to pay any settlement monies since they were improperly named. However, it did cost approximately **\$33,000** to obtain the dismissal.

A former employee filed suit for constructive termination following alleged complaint of sexual harassment by the owner. The parties settled with a payment of **\$17,500**, with an additional **\$10,700** in defense costs.

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Communications Companies: What Could Go Wrong?

A company became involved in a contractual and antitrust dispute over the use and sales of toll free numbers. While the company was not the main target of the litigation, more than **\$50,000** was paid in defense costs and toward a settlement.

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A former female employee brought a hostile work environment lawsuit against the company's subcontractor. The plaintiff sued the subcontractor, the company and governmental entities that funded the project in question. The matter settled for **\$21,000**.

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A former employee sent an attorney demand letter and filed an EEOC charge alleging wrongful termination because of age discrimination. Parties settled for **\$76,000**, prior to the filing of a position statement.

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Two former Caucasian employees brought claims for associational discrimination and retaliation when they were terminated after complaining about the insured's alleged failure to hire African American employees. The matter has not settled, but defense costs have exceeded **\$600,000**.

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Shops and Retailers: What Could Go Wrong?

A dispute involving ownership of a fine arts retailer resulted in a former employee alleging wrongful termination, along with claims of breach of fiduciary duty, legal malpractice, conversion, fraud, fraudulent inducement and breach of contract. The matter has not settled, but approximately **\$65,000** has been spent in defense costs.

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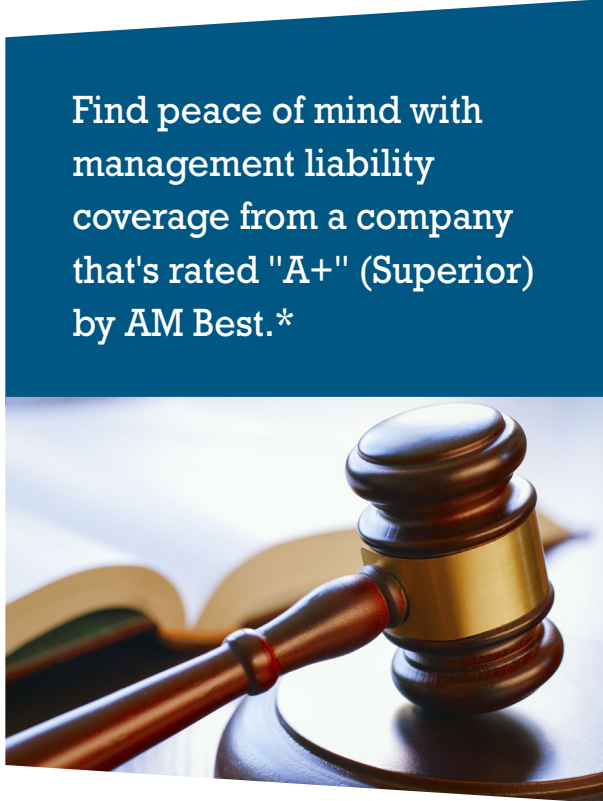
A former salesperson alleged race and disability discrimination. The lawsuit included allegations that the company tolerated racial slurs, including supervisor participation. The claimant retained an aggressive trial attorney. Parties settled at mediation and a settlement payment of **\$350,000** was made, with an additional **\$56,500** in defense costs.

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A former employee filed suit alleging he was subject to ongoing harassment by a supervisor, which culminated in him being accused of stealing in front of other employees and customers. The suit alleged causes of action for assault, defamation, false imprisonment and infliction of emotional distress.

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A small retailer was sued for pregnancy discrimination by an employee. The actual discrimination seemed unsupported by the produced facts, however, the retailer's practices were of concern. The claimant filed suit, but the claim was resolved through negotiation for **\$12,250**, with an additional **\$1,250** in defense costs.



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