

Claims Scenarios

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D&O CLAIMS SCENARIOS

Race, Relocation And Bonus Structure

During a merger, a non-profit organization had both a corporate reorganization and a relocation of its offices. Due to these two factors, several corporate and administrative positions were eliminated, all of which were held by minority employees. Four employees sued alleging discrimination due to race.

An investigation found that non-minority employees received bonuses while minority employees did not. All employees were required to be in their positions for a specific amount of time to receive a bonus; and the minority employees had not held positions for the required length of time. Coincidence? It really doesn't matter. While the non-profit may have acted innocently, they wound up in an undesirable situation. They finally settled the case through mediation.

Country Club Misconduct

An assistant sports pro was fired due to alleged misconduct, including failure to follow club procedures. Following the termination, the sport's director emailed both potential employers and club members with the details of the termination, including accusations of theft.

This email opened the Club up to further liability when the former assistant sports pro learned of it and made a claim for damage to his professional reputation.

This case illustrates how actions both during and after a claim can impact exposure when those actions occur without the advice of counsel.

An Uncooperative Employee or Whistle Blowing Retaliation

A food cooperative was sued by a former employee. He alleged he was fired for reporting equipment malfunctions to regulators. The coop maintained he was fired due to insubordination, combativeness and abusive behavior towards other employees.

It did appear he was fired for whistle blowing because his termination occurred three days after he contacted regulators about the malfunctioning equipment. Since a jury could easily see how his complaints to authorities played some part in the decision to fire him, the coop decided to settle the case at private mediation.

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