



# Non Profit Directors and Officers and Employment Practices Liability Product for Country Club Exposures

## *Claim Examples*

- ▶ **Wrongful Termination:** A female bar tender at a country club was terminated after repeated tardiness violations. Shortly after her termination, she filed suit alleging verbal and sexual harassment as well as retaliatory termination. During the course of the investigation it was revealed that one of the board members of the club had been involved in an extra-marital affair with the plaintiff and that shortly after the relationship ended the plaintiff was fired. An aggressive plaintiff's attorney prolonged litigation for over a year and a half at which time over \$50,000 in defense costs were incurred. Settlement was reached on the eve of trial for \$45,000.
- ▶ **Sexual Harassment:** Three waitresses at a country club alleged their manager had sexually harassed them with inappropriate comments, touching and written communication. Although no one directly witnessed the alleged assaults, the manager in question had a history of inappropriate behavior; which had been documented in his personnel file. He had however, been permitted to continue his employment despite the clubs knowledge of his previous indiscretions. All three cases were settled for a total of \$25,000 and \$3,000 in defense/investigation costs were incurred.
- ▶ **Racial Discrimination:** A former cook for a country club filed a complaint for wrongful termination on the grounds of racial discrimination. Claimant alleged that he was terminated after one absence because of his race. Upon investigation it was discovered that the claimant had been absent from work on numerous occasions but the country club had not disciplined him according to their employment guidelines in an effort to be as lenient as possible to all of their employees. The case was settled for \$8,000; however, \$55,000 in defense costs were incurred to bring the case to a close.
- ▶ **Religious Discrimination:** A worker at a country club was terminated after numerous member complaints about overly aggressive behavior when pursuing tips. The former employee then filed an Equal Employment Opportunity Commission complaint alleging that his termination was the result of religious discrimination because of his beliefs as a Jehovah's Witness and soon received a right to sue letter. During the investigation of the following suit, it was revealed that the claimant's former supervisor had made several inappropriate jokes and had told him during his exit interview that he should look for a job where he would better fit in; which the supervisor did not deny. The claim was settled after four years of litigation for \$50,000; however, defense costs in the case exceeded \$75,000.
- ▶ **Breach of Fiduciary Duty:** A country club ceased operations and sold all assets. Per the club's by-laws after all outstanding debts had been satisfied the remaining revenues from the sale were distributed among the proprietary members of the club. Three individuals who previously held proprietary memberships, but were no longer active members at the time of sale, brought suit for breach of fiduciary duty claiming they had a right to share in the distribution of the remaining assets. Although the by-laws of the club supported their actions, over \$30,000 was spent defending this case before was dismissed.
- ▶ **Copyright Infringement:** A country club hired an architect to develop blueprints for a new locker room facility. When the plans were presented to the club's members for approval they were rejected. A second architect was commissioned to develop blueprints and a new locker room facility was subsequently built to their specifications. The 1st architect then sued the club; it's board and the 2nd architect for copyright infringement and alleged that the 2nd set of blueprints copied his original design. The case was settled with a contribution from the club of \$25,000, but only after over \$60,000 of defense costs were incurred.



PO Box 768 · Hendersonville, TN 37075  
(T) 800-768-7475 · (F) 615-264-3980  
[www.bsrrins.com](http://www.bsrrins.com)