

Following Are Examples of Professional Liability for InfoProSM Claims

Can't fight city hall. A software consulting company is the defendant in a claim made by a former client, a mid-sized city located in the southeast part of the United States. The claimant hired the defendant to upgrade and computerize their records management system and dispatch operations. In their claim, the city alleges the defendant either failed to meet several deadline dates as specified in the agreement or did not complete them to the claimant's satisfaction. As a result, the city alleges they are entitled to liquid damages and has filed a complaint against the defendant alleging breach of contract and violation of the Deceptive and Unfair Trade Practices Act. Claim is pending.

Failure to verify. A major supplier of lifting equipment and related services brought suit against a company that provides instruction, consultation and other services relating to the installation, upgrading and operation of software. The claimant hired the defendant to provide computer consulting services associated with the use of a highly automated office management system, which included an advanced contact management software program. The suit arose when the claimant called the defendant to request assistance after his hard drive crashed. At the defendant's recommendation, the software program was re-installed and data files were located and copied and pasted onto the re-installed software. Soon after, it was discovered the data files they were accessing were old. The claimant was able to recover some data from a laptop and a stand-alone computer located at a remote location, but the data was not being regularly backed up and most of the current files were lost.

Apparently, the error occurred because the plaintiff was working on a network and the defendant thought it was a stand-alone computer. The defendant insists he asked the plaintiff repeatedly if he was on a network or stand-alone computer before he re-installed the software and that the plaintiff told him it was a stand-alone. The plaintiff insists no such conversation took place. The claimant alleges that they suffered severe property damage, including loss of use and functionality of its detailed customer data stores in its network for 11 months and is demanding \$119,000 to settle their claim, which is pending.

Too little too late. A software developer and the distributor he contracted with to sell his software were both named in a lawsuit filed by a company who purchased the developer's software. The distributor that sold the software to the plaintiff also agreed to customize it to meet the plaintiff's specific requirements for a payroll module.

Not long after the software was purchased from the developer and the distributor had begun to re-configure it for the plaintiff, the developer came out with a new version. The claimant then decided to abandon the earlier system and switch immediately to the latest version. Switching to the more recent version required the distributor to begin over and a lot of time was lost. In the midst of the project, the plaintiff informed the retailer that they were abandoning the implementation completely.

The plaintiff brought suit against the distributor, alleging the system they installed failed to meet their state's requirements and never reached the point of being operable. As a result, they alleged they were unable to track and report crucial data, which affected their business adversely. The retailer then filed a suit against the software developer, charging he should have been alerted that a newer version of his software was going to be released imminently. Suit is pending.



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