



# CLAIM SCENARIOS

## PRIVATE COMPANY - DIRECTORS & OFFICERS LIABILITY

### \$335,000

Disgruntled shareholders of a technology company filed suit which sought the removal of the **directors & officers from their positions on the board of directors** for misconduct. Allegations included embezzlement, coercion, theft, and conspiracy to convert the business assets to their own benefit.

### \$315,000

An investment firm purchased a chain of hotels from a privately held company. A short time later they re-sold the hotel chain at a significantly higher price. Shareholders sued the Insured alleging the board of directors **undervalued the company** resulting in a significant loss of shareholder investment value.

### \$140,000

Students filed a **class action suit** against an Insured alleging the school's promotional material misrepresented the accreditation of one of the Insured's locations. Damages included expenses for additional classes and loss of income for class participants.

### \$1,300,000

Allegations by unsecured creditors state that the board of directors **depleted the company assets** by paying dividends and salaries to the director & officers prior to the sale of a company that was financially insolvent.

### \$75,000 defense costs only

A new property manager hired by the owner of an apartment building filed suit for **breach of contract** and failure to pay for services. The property owner failed to properly terminate the prior property manager's contract.

### \$175,000 defense costs only

An Insured signed a long term lease to rent office space from the claimant. The owner of the building alleged **breach of contract** when the Insured vacated the premises after 13 months and stopped paying the monthly lease payments.

### \$1,700,000 defense costs only

A technology equipment company was sued by its lenders for various allegations including **breach of contract** for failing to secure clear title to equipment held by the company's recently acquired leasing division. This division allegedly provided forged title and lien information to a number of outside parties and lenders.

*For all your Private Company - Directors & Officers Liability insurance needs, please visit our website at [www.phly.com](http://www.phly.com)*

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