

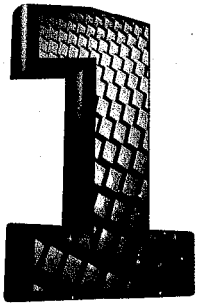
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JUNE 2014



STOP
civil verdicts



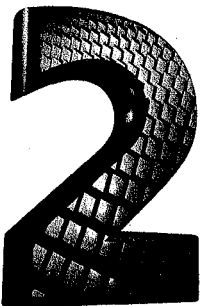
\$57,269,586.60

*Atlas Flooring, LLC v. Porcelanite S.A. de C.V., dba Grupo Porcelanite S.A.*⁹, United States District Court for the District of Arizona, 2007-CV-01741

Grupo Porcelanite was a Mexican manufacturer of several lines of high-gloss ceramic tiles. In a 2002 contract, it gave

Atlas Flooring the exclusive right to sell its tiles in Arizona to retailers, consumers and home builders. After Atlas Flooring landed Lowe's home improvement stores as a customer that would sell the tiles in Arizona, Porcelanite promised Atlas Flooring it would be the exclusive distributor to Lowe's throughout the United States. In 2007, Atlas Flooring learned that Porcelanite had been selling tile directly to Lowe's nationwide for months but never told Atlas Flooring. Porcelanite defended that its sales to Lowe's were outside the scope of the contract and that Atlas Flooring had breached the contract and failed to pay for accepted tile. Porcelanite counterclaimed for \$3.6 million for lost profits and breach of contract.

The jury awarded Atlas Flooring \$32,269,586.60 on the claims for breach of contract, breach of the implied covenant of good faith and fair dealing, fraud and interference with business expectancies. The jury also awarded \$25 million in punitive damages. The jury allowed Porcelanite an offset of \$524,949 for tile it had delivered to Atlas Flooring but otherwise ruled in favor of Atlas Flooring on the counterclaim.



\$55,155,000

Kenneth and Tammy Nardelli v. MetLife Auto and Home Ins. Agency, Inc., Metropolitan Group Property and Casualty Ins. Co., and Metropolitan Prop. and Cas. Ins. Co., Maricopa County Superior Court, CV-2004-019991

On September 3, 2002, Kenneth and Tammy Nardelli's new Ford Explorer was stolen from an Arizona shopping mall

parking lot. They reported the theft to their insurance company, MetLife. The Explorer was recovered across the border in Mexico about two weeks later and towed back to them in Arizona. Its engine was destroyed, seats were slashed, wires cut, and its Vehicle Identification Numbers stripped. The Nardellis asked MetLife to total the vehicle because it would be difficult to resell, but MetLife maintained that under their coverage they were only owed the cost of the repairs and sent them a check for the repair costs of \$10,759. The Nardellis presented internal company documents that stated a MetLife profit goal of \$155 million for 2002, an increase of about \$100 million over the previous year. MetLife defended that it acted reasonably in its claim management and that the vehicle was repairable to pre-theft condition.

On the claims for first-party bad faith and breach of the covenant of good faith and fair dealing, the jury awarded

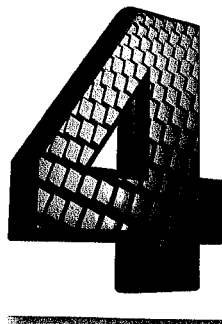


\$18,500,883.59

*Brenda Moody Whinery, as Creditor Trustee of Fort Defiance Housing Corp., Inc. v. Lodgebuilder, Inc.*¹¹, United States Bankruptcy Court for the District of Arizona, 2006-AP-00911

Unusually, this was an award out of the bankruptcy court. Fort Defiance Housing Corporation is a nonprofit corporation that builds and manages low-income housing on the Navajo reservation in northeastern Arizona. Fort Defiance contracted with Lodgebuilder to develop the housing projects. Lodgebuilder was owned and operated by William Aubrey and his business partner, Brenda Todd. Fort Defiance filed for chapter 11 bankruptcy in 2005, and Brenda Moody Whinery was named its creditor trustee and brought this action to recover funds and assets. The trustee alleged that Aubrey misappropriated millions in federal grants and private loans and gave kickbacks to various officials to cover up the fraud. The trustee traced the funds to Aubrey's personal bank accounts and to expenses for gambling, cars, furs, jewelry and race horses. The claims included breach of contract, conversion, misrepresentation, negligence, civil conspiracy, breach of fiduciary duty, fraudulent conveyance and unjust enrichment.

The case was tried to a judge, who awarded \$17,500,883.59 in compensatory damages against all three defendants, plus \$1 million in punitive damages.



(tie) \$11,000,000

Carmen Caccavale, Henry Schein, Inc. dba Caligor and v. McKesson Medical-Surgical, Inc., United States District Court for the District of Arizona, 2004-CV-01351

Two verdicts tied for the number 4 spot this year, and a counterclaim for abuse of process was one of them.

Carmen Caccavale was a medical products sales representative who worked for seven years at McKesson Corporation. He resigned in 2004 and took a job with Henry Schein, Inc., which was a McKesson competitor. McKesson sued Caccavale, his new company and other defendants on variety of claims mainly related to alleged misappropriation of trade secrets. Caccavale, who did not have a non-compete contract with McKesson, counterclaimed for abuse of the legal process, along with Henry Schein, alleging that McKesson's use of the legal process was primarily motivated by a desire to stifle competition.