

Private Company Loss Scenarios from Chubb



Not a Fair Trade

COVERAGE SECTION	Directors & Officers Liability
Cause of action	Misappropriation of Trade Secrets
Type of organization	Private
Number of employees	200
Annual revenue	\$8.8 million

DESCRIPTION OF EVENT

Jones, who was president of CCC Co., left the company in 2000 to become chief operating officer of NNN Inc., a competitor. Three months after Jones left, CCC sued NNN's directors and officers for allegedly stealing trade secrets, confidential business information, and employees, thus giving it an unlawful competitive advantage.

RESOLUTION

The parties eventually settled for \$390,000, and NNN agreed to restrictions on hiring CCC's employees. NNN incurred defense expenses of \$150,000.



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Could this happen to your organization? Contact your trusted Chubb agent or broker.

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