

# Directors & Officers

## Claims Examples

### Example 1 Engineers

Engineering manufacturers entered into a factoring agreement with the claimant, but following the company going into administration, alleged that they used the monies due to the claimant to pay other creditors.

**Director Personally Sued £300,000**

### Example 2 Property Owners

Director of a property owning company breached his authority in appointing a company belonging to an employee to undertake work on their behalf.

**Proceedings issued by the claimant for non-payment of fees of £42,000 following cancellation of the contract.**

### Example 3 Clothing Manufacturer

Directors of a clothing manufacturers facing disqualification proceedings issued by the Secretary of State for trading whilst insolvent, together with allegations that they failed to maintain their accounts in a satisfactory manner to enable the receivers to carry out their duties, leaving many creditors (including HM Customs and Excise) unpaid.

**£56,000 paid in defending the directors named in the proceedings**

### Example 4 Cutlery and Giftware Manufacturer

Contractual dispute following appointment of a website developer to design an online trading website for a giftware manufacturer. The director concerned was not authorized to enter into the contract and the company cancelled the agreement.

**Website developers claimed against the director for their costs incurred to date of £48,000**

### Example 5 Glazing Company

Director of a glazing manufacturers named personally in an unfair dismissal claim form a former employee.

**Costs incurred of £14,055 in defending the director.**

### Example 6 Waste Management Company

Transport manager of a waste management company prosecuted by the Crown Prosecution Service following an accident involving an unroadworthy vehicle operated by the company.

**Claims reserve £15,000**

### Example 7 Distribution company

Claim for unfair and constructive dismissal against the Finance Director of a distribution company by a former employee alleging sexual harassment and other inappropriate activity (sending text messages out of working hours, inviting her on nights out etc).

**Costs £21,000**

### Example 8 Shipping Agents

Shipping agents were required to hold all goods held on behalf of the claimant in a separate account, but following their liquidation, it was discovered that this was not the case, and the claimants would have to recover their goods as a normal creditor.

**Directors sued for £61,000.**

### Example 9 Makers of timber products

HSE prosecution following serious injuries suffered by a machine operator in clearing a blockage in a stamping machine. There should have been a safety cut out stopping the machine operating with the access panel open, but this had been broken or disconnected.

**Defence costs incurred of £25,700**

### Example 10 Manufacturing Company

Action against directors of a manufacturing company by the Health and Safety Executive following their refusal to respond to a notice to control dust emissions. Directors responsible had failed to adhere to deadlines so action taken against both the company and the directors responsible.

**Incurred over £110,000 in defence costs, with a further £60,000 outstanding**

### Example 11 Glass Manufacturers

Action taken against the directors of a glass manufacturing company by Trading Standards following allegations of pre-stamping of safety glass before it had passed the necessary testing procedure.

**Costs incurred £25,718**

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