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FIRM SECURES BANKRUPTCY COURT-APPROVED SETTLEMENT AND FULL REIMBURSEMENT FOR CLIENT FOLLOWING EMPLOYEE THEFT

By: Franklin Barbosa, Jr. and Cynthia Flanagan

Attorneys Franklin Barbosa, Jr. and Cindy Flanagan of Schenck, Price, Smith & King, LLP recently achieved a just outcome for a firm client who was victimized by the theft of company assets and inventory by a once-trusted employee of more than 27 years.

The misconduct resulted in years of litigation due to delay tactics in an attempt to evade responsibility, including filing a chapter 13 bankruptcy petition attempting to block the collection of the claim. The SPSK team moved to dismiss the bankruptcy case as a bad faith filing and objected to the debtor's chapter 13 plan.

Even after a court-mediated settlement was reached and approved, the former employee attempted to renege and revise the settlement agreement. We vigorously sought enforcement of the settlement, and the bankruptcy court not only upheld our position but also awarded our client attorneys' fees and costs for the additional burden imposed.

To satisfy the settlement obligations, the former employee was forced to sell his residential and investment property to provide our client with reimbursement for the misappropriated assets.

This result demonstrates the firm's commitment to pursuing justice aggressively and relentlessly – even across multiple courts and in the face of tedious delay tactics. Our attorneys secured a complete and court-approved resolution that fully vindicated the client's rights.

DISCLAIMER: This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.

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