

Archer's Douglas Diaz Recovers Counsel Fees for Client in Defense of Frivolous Lawsuit Which is Upheld by State Appellate Court

Press Releases

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The New Jersey Appellate Division recently affirmed an award of more than \$191,000 in counsel fees and costs to Archer client Sunhillo Corporation for having to defend against frivolous litigation over the course of more than four years. A Partner in the Labor and Employment department, Douglas Diaz, successfully defeated the claims and obtained the fee award for the client.

The case dates back to October 2009 when the plaintiff, a former Director of Business Development for Sunhillo, filed suit claiming he was terminated in retaliation for alleged whistle blowing in violation of New Jersey's Conscientious Employee Protection Act. The trial court concluded that the plaintiff was instead terminated because he had not generated any sales at all after almost two years of employment. Following an evidentiary hearing on the fee request, the trial court determined that Sunhillo was entitled to recovery of its counsel fees and costs under New Jersey's Frivolous Litigation Statute because the facts showed that the plaintiff either knew or should have known that his claims were baseless, and that plaintiff's real intent was to harass his former employer. In so deciding, the trial court reasoned that other employees made the same internal complaints as did plaintiff but were not terminated; that plaintiff misrepresented certain facts during his deposition and acknowledged he could not provide any basis for some of his claims; and made a settlement demand of five million dollars having no basis to any alleged damages.

In unanimously affirming the trial court's decision to award fees and costs to Sunhillo, the New Jersey Appellate Division noted that it found no abuse of discretion in the court's finding that the plaintiff's "only purpose in pursing the litigation was to harass and cause financial harm to Sunhillo."

"We were thrilled after years of litigation to be able to recoup the attorney fees for our client for what the court agreed was a frivolous lawsuit," said Mr. Diaz. "Archer is proud to fight for its clients who are faced with frivolous lawsuits and we will continue to stand in their corners in the future."

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