

Press Release

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Ohio Jury Awards Chicago Title \$43 million in Non-Compete Lawsuit

January 27, 2005 — Cleveland, OH — On January 25, Hahn Loeser won a unanimous jury verdict in Columbus federal court totaling \$43 million on behalf of Chicago Title (*Chicago Title Insurance Company Co. v. James Magnuson et al*). The verdict against First American Title Insurance Corporation stems from First American's intentional inducement of a former Chicago Title executive, Jim Magnuson, to violate a non-compete agreement. The case centered on the enforcement of business ethics and the liability that results from improper recruiting tactics.

"We are thrilled the jury recognized that unfair competition is not acceptable," said Mark E. Schiffman, Chief Litigation Counsel for Fidelity National Financial Inc., parent company of Chicago Title. "The jury awarded punitive damages because we demonstrated that First American acted with conscious disregard of Chicago Title's rights," Schiffman added. The case pitted the two major players in the title insurance industry against each other.

In late 2002 and early 2003, Chicago Title, a wholly owned subsidiary of Fidelity National Financial (the largest title insurance company in the US), lost more than 30 Columbus, OH-based employees in a mass recruitment effort by The Talon Group, a startup division of First American (#2 in the US). Talon's recruiting scheme was part of a national business plan to hire away competitors' key employees knowing that other employees and major customers would follow. In the case of central Ohio, the key employee recruited was Magnuson, whose non-compete agreement with Chicago Title was the legal hitch in First American's plan.

"The Hahn Loeser team proved not only that the employee violated his non-compete agreement, but also that First American intentionally induced the violations, resulting in millions of dollars of lost profits annually to Chicago Title in the central Ohio title insurance

market," according to Steven A. Goldfarb. Goldfarb and Andrew Pollis, who tried the case together, are Hahn Loeser partners practicing in the Cleveland office of the Firm.

The use of state-of-the-art technology such as video clips of depositions (to impeach witnesses) permitted the jury to review documents and depositions during the course of the trial, rather than having to wait until deliberations to inspect the evidence.

The verdict included \$10.8 million in compensatory damages and \$32.4 million in punitive damages. Attorney fees will be awarded at a later date.

Established in 1920, Hahn Loeser + Parks LLP is a full-service law firm of more than 100 attorneys with offices in Cleveland, Columbus, and Akron, Ohio; and Southwest Florida. More information on the Firm can be found at www.hahnlaw.com.