

**My company has been sued!
What do I do?**

As the saying goes, it's not a question of "if" but "when" your company will be sued. Sure, some companies are fortunate, but most of us face a lawsuit periodically.

Here's how I suggest handling the situation:

1. First and foremost **DO NOT ALLOW THE LAWSUIT TO DISTRACT YOU FROM THE JOB OF LEADING YOUR COMPANY.** If you lose your focus and begin making mistakes and losing opportunities, these costs could exceed any damages awarded. This takes enormous self discipline, especially because these suits are frequently baseless nuisances; you feel like someone has just broken into you home and stolen from you.
2. The first person you contact should be your insurer (liability). Often the insurer has the responsibility to defend your company and is better equipped to handle the matter than you are.
3. Do not respond in any way other than to accept service of notices, you could increase the cost/complexity of your case.
4. Do a reasonable assessment of your company's position in the matter. If there were some mistakes made, inappropriate policies in place, etc. and you can see ways to improve your company and/or the way it conducts business, focus your energies there and let your insurance company or attorney handle the lawsuit. Get some advice regarding ways to reduce your exposure in the future.
5. If the potential loss is not insured, hire a competent business litigation attorney with the help of your company's legal counsel, insurance company or other trusted advisor.

I cannot overemphasize the importance of not allowing this legal action to distract you from your most important duties. History is a good instructor. When the U.S. attorney pursued IBM on antitrust charges, the management team focused primarily on the court battle and the company languished for about five years. When the U.S. attorney pursued Microsoft on antitrust charges, the matter was handed off to a team and attorneys, Microsoft continued to grow and add to its market share throughout the course of the litigation. Microsoft learned from IBM's mistakes!

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