

THE TOP 100 VERDICTS OF 2015

The National Law Journal's VerdictSearch affiliate scoured the nation's court records in search of 2015's biggest verdicts, also consulting with practitioners and reviewing reports by other ALM Media LLC publications. The amounts listed here represent jury awards—they do not account for judicial reductions, offsets or appeals.

RANK	AMOUNT	TYPE	NAME/COURT/DATE	LEAD PLAINTIFFS' ATTORNEY(S)/FIRM(S)	LEAD DEFENSE ATTORNEY(S)/FIRM(S)
25.	\$71,744,675	Breach of Contract	Lion Oil Company v. National Union Fire Insurance Co. of Pittsburgh, PA, W.D. Ark., 1:13-CV-01071-SOH, 11/4/2015	Geoffrey J. Greeves , Pillsbury Winthrop Shaw Pittman LLP, Washington, D.C.	William A. Webster, Robins Kaplan LLP, Los Angeles; James M. Simpson , Friday, Eldredge & Clark LLP, Little Rock, Ark.
31.	\$55,333,581	Breach of Contract, Bad Faith and Punitive Damages	Victaulic Co. v. American Home Assurance Co., Alameda Co., Calif., Super. Ct., RG12642929, 8/5/2015	Joseph D. Jean and Colin T. Kemp , Pillsbury Winthrop Shaw Pittman LLP, New York	William J. Goines and Karen Rosenthal, Greenberg Traurig LLP, East Palo Alto, Calif.

Rank 25 \$71,744,675 **Geoffrey J. Greeves**, Pillsbury Winthrop Shaw Pittman LLP, Washington, D.C. Page 2

Rank 31 \$55,333,581 **Joseph D. Jean** and **Colin T. Kemp**, Pillsbury Winthrop Shaw Pittman LLP, New York Page 4

TWENTY-FIVE

INSURANCE — COVERAGE

Pipeline break was an insured business interruption: oil company

VERDICT **\$71,744,675**

ACTUAL **\$62,183,675**

CASE Lion Oil Company v. National Union Fire Insurance Company of Pittsburgh, PA, Great Lakes Reinsurance UK PLC, ACE American Insurance Company, XL Insurance America, Inc., Certain Underwriters at Lloyds (Talbot Syndicate 1183), Torus Specialty Insurance Company, Certain Underwriters at Lloyds (Navigators Syndicate at Lloyds 1221 and Pembroke Syndicate at Lloyds 4000), Certain Underwriters at Lloyds (SJC 2003/Catlin), Certain Underwriters at Lloyds (Brit Insurance, Syndicate 2987), Certain Underwriters at Lloyds (Chaucer Marine Syndicate 1084), Berkshire Hathaway International Insurance Limited, Arch Insurance Company, Lexington Insurance Company, Ironshore Specialty Insurance Company, Landmark American Insurance Company, No. 1:13-cv-01071-SOH

COURT Western District of Arkansas Federal Court, El Dorado, AR

JUDGE Susan O. Hickey

DATE 11/4/2015

PLAINTIFF

ATTORNEY(S) **Geoffrey J. Greeves** (lead), Pillsbury Winthrop Shaw Pittman LLP, Washington, DC
Peter Gillon, Pillsbury Winthrop, Washington, DC
Micah Goodwin, PPGMR Law, PLLC, Little Rock, AR
Julie Dewoody Greathouse, PPGMR Law, PLLC, Little Rock, AR
Kim Logue, PPGMR Law, PLLC, Little Rock, AR
Vincent E. Morgan, Pillsbury Winthrop, Houston, TX
Brian H. Ratcliff, PPGMR Law, PLLC, El Dorado, AR
Vernon Thompson, Pillsbury Winthrop, Washington, DC

DEFENSE

ATTORNEY(S) **Amy Churan**, Robins Kaplan LLP, Los Angeles, CA
James M. Simpson, Friday, Eldredge & Clark LLP, Little Rock, AR
William A. Webster, Robins Kaplan LLP, Los Angeles, CA

FACTS & ALLEGATIONS On April 28, 2012, a crude oil

pipeline that supplied plaintiff Lion Oil Co.'s El Dorado refinery sustained a 17-foot rupture of the pipeline seam near Tolbert, La. The pipeline was shut down, and its owner-operator, a nonparty crude-oil supplier, completed repairs on May 15 or 17. The supplier then conducted a comprehensive failure analysis and testing of the entire 200-mile pipeline for similar problems and regulatory compliance. In September, the analysis and test results were submitted to the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration. A month later, the agency gave the supplier permission to reopen the pipeline, and the supplier began the process of soliciting shipments of crude oil to fill the pipeline. Shipments to Lion Oil through the pipeline resumed on March 19, 2013.

Lion Oil filed claims with its insurance carriers for business interruption and extra expenses through March 19, 2013. The insurers denied the claims for losses sustained after the pipeline was repaired.

The refinery produced mostly asphalt, gasoline and diesel fuel. The pipeline, which supplied most of the refinery's crude oil, ran from St. James, La. to Longview, Texas.

Lion Oil sued the insurance companies for breach of contract, alleging that the rupture was a covered cause of Lion Oil's business-interruption losses and extra expenses through March 19, 2013.

Lion Oil argued that the supplier's comprehensive testing and analysis was ordered by the U.S. DOT's Pipeline and Hazardous Materials Safety Administration soon after the rupture, and that this analysis and testing had to be completed before the pipeline could be reopened.

The defense contended that, after the repair date, the cause of the delay in resuming the delivery of oil to the refinery was not damage to the pipeline, as required for coverage under the policy. Therefore, the defense argued, the losses and expenses from that delay were not covered. According to the defense, the supplier made an independent decision to analyze and test the pipeline after it was repaired.

(The plaintiff's expert Greg Deimling was an expert on first-party insurance practices and standards.)

INJURIES/DAMAGES Lion Oil claimed loss of net margin or income, as well as extra expenses associated with trying to mitigate these losses. Such expenses, Lion Oil alleged, included buying crude oil from other suppliers, deferring scheduled deliveries, expediting construction of a crude-oil rail unloading facility, leasing additional rail cars, repurposing existing rail cars for crude oil transport, pressuring the supplier to restart the pipeline, purchasing asphalt to meet customer requirements and bringing such asphalt up to customer specifications.

Plaintiff's counsel sought \$60,404,000 for loss of net margin or income, as well as \$11,340,675 in extra expenses, for a \$71,744,675 total.

RESULT The jury found that damage to the pipeline was the dominant, direct and efficient cause of losses or expenses of Lion Oil, and that Lion Oil's damages were \$71,744,675.

LION OIL CO. \$60,404,000 loss of net margin or income
\$11,340,675 expenses
 \$71,744,675

TRIAL DETAILS Trial Length: 7 days
 Trial Deliberations: 2 hours
 Jury Vote: 12-0
 Jury Composition: 5 male, 7 female

PLAINTIFF EXPERT(S) William Byrd, pipelines, Houston, TX
 Greg Deimling, practices & standards, Cincinnati, OH
 Kevin O'Toole, accounting (forensic), Dallas, TX

DEFENSE EXPERT(S) Kenneth Gibson, accounting (forensic), Dallas, TX

POST-TRIAL Lion Oil is seeking prejudgment interest in the amount of \$8 million, plus statutory attorney fees and a 12 percent statutory penalty. Lion Oil's \$9,561,000 deductible will be deducted from its recovery.

EDITOR'S NOTE This report is based on information that was provided by plaintiff's and defense counsel.

—John Schneider

THIRTY-ONE

BAD FAITH — INSURANCE

Pipe manufacturer: Insurer denied coverage despite policies

VERDICT \$55,333,581

Karen Rosenthal, Greenberg Traurig LLP, East Palo Alto, CA

CASE Victaulic Company v. American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, PA and The Insurance Company of the State of Pennsylvania, No. RG12642929

COURT Superior Court of Alameda County, Oakland, CA

JUDGE Frank Roesch

DATE 8/5/2015

PLAINTIFF

ATTORNEY(S) **Joseph D. Jean** (lead), Pillsbury Winthrop Shaw Pittman LLP, New York, NY
Colin T. Kemp, Pillsbury Winthrop Shaw Pittman LLP, San Francisco, CA
Jeffrey A. Kiburtz, Pillsbury Winthrop Shaw Pittman LLP, Los Angeles, CA

DEFENSE

ATTORNEY(S) William J. Goines, Greenberg Traurig LLP, East Palo Alto, CA
 Agelo L. Reppas, Sedgwick LLP, Chicago, IL

FACTS & ALLEGATIONS In 2012, plaintiff Victaulic Co., a leading mechanical pipe fitting manufacturer, was named as a defendant in a litigation brought by its insurer, American International Group (AIG) Inc.

Victaulic was first issued commercial general liability insurance from three AIG companies -- American Home Assurance Co., National Union Fire Insurance Company of Pittsburgh, PA, and Insurance Company of the State of Pennsylvania -- in 1998. However, when nine actions were brought against Victaulic in California, Colorado, Oregon, Washington, Massachusetts and West Virginia, the three AIG companies sought to avoid coverage. As a result AIG first initiated litigation against Victaulic in Pennsylvania in 2012, claiming it had no duty to defend or indemnify Victaulic against liability claims in which there was alleged property damage caused by allegedly faulty workmanship and/or alleged product defects regarding Victaulic's product because such claims do not constitute an occurrence under the policies. Victaulic and the

three AIG companies disagreed about the defense and indemnity coverage provided under the policies.

Victaulic subsequently sued American Home Assurance Co., National Union Fire Insurance Company of Pittsburgh, PA, and The Insurance Company of the State of Pennsylvania, in California.

The trial was divided into three phases.

Prior to the commencement of Phase I, the court granted Victaulic's motion for summary adjudication, holding that faulty workmanship and faulty products constitute an occurrence under the subject insurance policies as a matter of law. Phase I of the trial also resolved declaratory and equitable issues in favor of Victaulic, such as the existence and scope of the duty to defend and the existence of the duty to indemnify.

Victaulic alleged that the underlying nine actions brought against it raised claims based on occurrences, regardless of whether Pennsylvania or California law applied.

On June 10, 2015, the court found for Victaulic and determined that AIG had a duty to defend and indemnify Victaulic in the underlying actions.

During Phase II, Victaulic alleged that the AIG companies breached their contract to provide insurance coverage under the policies and that their breaches were in bad faith and in violation of good faith and fair dealing.

The three AIG companies contended that they did not breach the policies and that their conduct was not in bad faith.

Leading up to trial, plaintiff's counsel obtained substantial sanctions against AIG for willful discovery abuses in the litigation.

INJURIES/DAMAGES Victaulic sought recovery of damages for the AIG companies' breach of contract, and recovery of attorney fees for forcing the AIG companies to comply with their contract obligations. Specifically, Victaulic sought recovery of \$9,333,581.14 in contract damages and attorney fees.

During Phase III of the case, Victaulic sought recovery of punitive damages.

RESULT The jury found that the AIG companies breached the insurance contracts and that Victaulic was harmed by the failures. It also found that the AIG companies breached the implied covenant of good faith and fair dealing. On July 30, 2015, the jury determined that Victaulic's damages for the AIG companies' breach of contract and bad faith totaled \$9,333,581.14. It also determined that the AIG companies acted with malice, oppression or fraud.

A week later, on Aug. 5, 2015, the jury awarded Victaulic \$46 million in punitive damages. Thus, Victaulic's recovery totaled \$55,333,581.14, plus interest and costs.

TRIAL DETAILS Trial Length: 11 weeks

POST-TRIAL Following the trial, the court awarded Victaulic an additional \$5,494,417.89 due to plaintiff's counsel proving that the AIG companies falsely denied more than 40 requests for admission.

EDITOR'S NOTE This report is based on information that was provided by plaintiff's counsel. Defense counsel did not respond to the reporter's phone calls.

–Priya Idiculla