

State Trial Courts

VERDICT: Defense, employment agency negligence.

An 11-1 Billings jury found that Small Business Group (Employment Source) was negligent in connection with referral of a bookkeeper but 12-0 that its negligence was not a cause of damage to Ridle Lawson Enterprises.

Ridle, a residential & commercial moving company, hired SBG to locate a competent bookkeeper and/or CPA to work in-house. Larry Ridle interviewed Marty Suckstorff, hired him on a temporary basis for 3 weeks, and then hired him as a permanent employee. Ridle alleges that he was led to believe that SBG had verified Suckstorff's credentials and conducted a background check. Ridle alleged that during Suckstorff's 6 weeks of employment he attempted to hijack the business by alienating Ridle's family members and employees through lies and fraudulent documents. He also alleged that SBG placed Suckstorff in order to obtain confidential information about the business due to SBG owner Terry Mammenga's interest in purchasing it for his son. Ridle learned during Suckstorff's employment that he was not a CPA, he was a convicted felon who had recently been in prison for writing bad checks, and he was living at the Rescue Mission. Ridle alleged that SBG failed to check his references or credentials or conduct a background search. He also alleged that SBG failed to inform him of its option to require a background search. Ridle claimed that Suckstorff's actions caused him to become severely upset and depressed and permanently strained his relationships with his wife, daughter, and business partners.

SBG contended that Ridle's alleged damages were not attributable to Suckstorff's employment, but to serious financial troubles in the years prior to the bankruptcy filing. Ridle had been warned by prior accountants about serious problems in the company's bookkeeping practices. SBG contended, and Ridle admitted, that Suckstorff did not steal, make bookkeeping errors, or divert money while employed with Ridle. It contended that no financial or accounting evidence showed that SBG caused Ridle any economic loss. It contended that Suckstorff's conduct was outside the course & scope of assigned tasks and therefore it was not responsible, and that it is not responsible for any actions occurring after he was hired permanently.

Judge Fagg directed verdict for Mammenga, and Ridle agreed to dismissal of his individual claims on the 3rd day of trial.

Demand, \$1 million up to settlement conference, \$150,000 for the Bankruptcy Estate and \$50,000 for Ridle at settlement conference; offer, \$15,000. Jury request, at its discretion; jury suggestion, 0. Mediator, Charles Cashmore.

Jury deliberated 1½ hours including lunch 3rd day.

Larry Ridle and Bankruptcy Estate of Ridle Lawson Enterprises v. Small Business Group (Employment Source) and Mammenga, Yellowstone DV 02-83, 7/21/04.

Mark Parker & Shawn Cosgrove (Parker Law Firm), Billings, for Plaintiffs; James Halverson (Herndon, Sweeney & Halverson), Billings, for SBG (Underwriters at Lloyd's, London).