

Daily Journal

FEBRUARY 18, 2015

Top Verdicts of 2014

The Largest and most significant verdicts and appellate reversals handed down in California in 2014

TOP DEFENSE RESULTS

USA National Title Company Inc. v. Cayton et al.

In a case watched closely by Southern California's title insurance industry, an Orange County jury in October dismissed a multimillion dollar breach of contract and misappropriation of trade secrets suit brought against a top executive for what his defense attorneys contended is a common industry practice.

USA National Title Company Inc. recruited Bob Cayton from a rival title insurance company to serve as a top executive, with the promise of receiving stock in the company. But when those promises weren't met, as Cayton alleges, he returned to his former employer — Lawyers Title — along with his clients.

The company responded by suing Cayton and Lawyers Title in part for stealing trade secrets, including their financial information, marketing plans and customer data.

The plaintiff claimed \$14 million in lost profits and \$250 million in lost value to the company. *USA National Title Company Inc. v. Cayton et al.*, 593016 (Orange Super. Ct., filed Aug. 22, 2012).

Cayton's attorneys from Michelman & Robinson LLP trimmed the case during pretrial motions.

During the seven-week trial, they focused on showing that USA National offered no evidence that Cayton took any proprietary information other than customer information, said lead counsel Mona Hanna.

case INFO

Breach of contract, misappropriation of trade secrets

Orange County

Superior Court Judge Linda S. Marks

Defense attorneys: Michelman & Robinson LLP, Mona Hanna, Stephen Isbell, Steven Casselberry & David Williams

Plaintiff's attorneys: Chavos & Rau APLC, Anthony Chavos, Laurie Rau

Customer information is commonly moved between companies, she said, as sales agents work with customers over their entire professional career, she said.

Jurors determined that client information — such as names, phone numbers and email addresses — didn't count as trade secrets. Beyond dismissing all claims, the jury also awarded Cayton \$50,000 on his breach of contract counterclaim for the stock he was owed under his contract with USA National.

If the jury hadn't ruled in favor of Cayton, it would have been a "game changer



MONA HANNA

in the title insurance industry," Hanna said. "It was really about whether or not title insurance sale agents can move freely from one title insurance company to another without risking being sued."

USA National's attorneys have since filed post-trial motions, Hanna said. Plaintiff's attorney Anthony Chavos could not be reached for comment.

— Kylie Reynolds