Verdicts & Settlements

Qui Tam / False Claims

Doctor settles $20M qui tam claims on eve of trial

$50,000 settlement

ROSSMAN

After 13 years of litigation, the defendant-doctor in this qui tam, false claims prosecution alleging over $20 million in damages settled for a $50,000 nuisance value payment on the eve of trial. The payment represents a miniscule fraction of what the government alleged in damages against him, and what was ordered against other defendants, and thereby represents a complete victory for the defendant doctor.

The allegations arose from a lawsuit filed in 2009 by whistleblowers, Ruqiayah Madany and John Collins, under the qui tam provisions of the False Claims Act. Under the act, private citizens can bring suit in qui tam, or on behalf of the government — hence the Latin meaning of qui tam: "in the name of the King" — for false claims and potentially share in any recovery. After the United States conducted its own investigation, it intervened and commenced litigation in the qui tam case in 2014, whereupon the U.S. government sought in excess of $20,000,000 in actual damages (before trebling), as alleged in its complaint.

HAMEL

The original qui tam complaint named over 30 defendants, and the U.S. had either settled with or obtained judgments against most of those defendants. In March 2022, the court granted the U.S. summary judgment against two other defendants and awarded the U.S. nearly $40 million in damages and penalties. The government vigorously prosecuted the case for the next eight years, with each defendant either suffering entry of judgment or settling, except one, who held out for a trial because the record evidence showed he engaged in no act of illegality.

The exception was Dr. Victor Savinov, whom the evidence established did absolutely nothing wrong and who therefore maintained his absolute innocence throughout this more than decade long qui tam litigation odyssey and whose attorneys vigorously defended the claims against him on the grounds that each and every allegation against him was false.

GARAPIAK

After dragging him through over a decade of litigation, the government was unable to prove a single allegation against Dr. Savinov, as its summary judgment bid was denied and trial loomed. Ultimately, on the eve of trial, the case was resolved for a trial-nuisance value payment to the government in the amount $50,000. The whistleblowers in the case received $11,000 of the nuisance value settlement sum.

The secret to settling this case for $19,999,050 less than the actual damages sought by the government (not including the trebling of damages) was being 100% trial ready and, therefore, in a strong negotiating position going into trial and thereby demanding and achieving a trial-nuisance value settlement.

Mark Rossman, a member of Savinov's legal team, provided case information.

Type of action: Qui tam / false claims
Injuries alleged: In excess of $20,000,000
Name of case: United States of America, Ex Rel. Ruqiayah Madany and John B. Collins v. Petre, et al.
Court/Case no./Date: Eastern District of Michigan; 2:09-CV-13693; 10/26/2022
Tried before: Jury
Name of judge: Hon. Stephen J. Murphy III
Demand: $20,000,000
Highest offer: $50,000
Settlement amount: $50,000 (nuisance value)
Special damages: Treble - X3 (or $60,000,000)
Attorneys for defendant: Mark C. Rossman, Marisa Hamel Casazza, Taras Garapiak, Troy

Premises Liability

Garage door repair led to man's blindness in one eye

$500,000 settlement

JONES

The plaintiff's neighbor asked him to come over and help him fix his automatic garage door that wasn't opening and the plaintiff acquiesced. The defendant neighbor then asked the plaintiff to unscrew a part. Unbeknownst to the plaintiff, the part he unscrewed was connected to a guide wire that was under pressure. When the plaintiff unscrewed the part, the screw blasted off the wire and hit him in the eye, blinding him permanently in that eye.

The defendant claimed he was not responsible for the incident since the plaintiff voluntarily assumed the risk and also because the defendant had no reason to know that the part would shoot out and/or was dangerous.

However, plaintiff's counsel discovered that the user manual for the garage door (which defendant had) specifically warned of this danger and indicated that only an authorized repair company should work on the door.

Moreover, there was a warning sticker affixed on the garage door containing the same warnings. While the plaintiff did not see this sticker since the garage was dark at the time of repair, the defendant knew and/or should have known of the warning.

The defendant filed a motion to dismiss both negligence and premises counts. The judge denied both motions. The plaintiff then sent a "last chance" letter to the defendant for policy limits of $500,000 which would be withdrawn after 30 days. The defendant settled the case for policy limits.

Jon Marko, a member of plaintiff's legal team, provided case information.

Type of action: Premises liability and general negligence
Injuries alleged: Blindness in one eye
Name of case: John Doe v. Neighbor
Court/Case no./Date: Confidential; 01/04/2023
Tried before: Jury
Demand: $500,000
Settlement amount: $500,000
Attorneys for plaintiff: Jon Marko and Michael L. Jones, Detroit

Civil

Jury sides insurer in first-party PIP dispute

$0 / No cause

This matter is a first-party PIP provider suit, where plaintiff Instant Imaging alleges that it is owed for treatment provided to Corey Shubert, after he was involved in an Oct. 15, 2019, motor vehicle accident in Hudson City.

MCDONALD

The plaintiff filed the instant lawsuit on March 9, 2020, seeking payment in the amount of over $13,000 for three MRI studies performed on the underlying claimant, Corey Shubert. Each of the MRI studies at issue in this matter were billed in the amount of $5,100, which the defendant argued were unreasonable charges for the services.

The plaintiff's CON-1118 form showed an average cost per scan to be $412.00 and average charge per scan to be only $1,200. The plaintiff also provided unnecessary treatment.

The jury agreed with the defendant and rendered a judgement of no cause, a verdict in favor of the defendant.

LILLEY

Defense counsel provided case information.

Type of action: Civil
Injuries alleged: Back, neck and head
Name of case: Instant Imaging, LLC v. Auto-Owners Insurance Company
Court/Case no./Date: 15th District Court; 20-2143-GC; 12/13/2022
Tried before: Jury
Name of judge: Judge Joseph F. Burke
Demand: $13,498
Highest offer: $2,000
Case evaluation: $8,700
Verdict: No cause of action
Insurance carrier: Auto-Owners Insurance
Attorneys for defendant: Marc D. McDonald and Sara M. Lilley, Detroit