

Holford v. Exhibit Design Consultants

(United States District Court, Western District of Michigan, 218 F. Supp. 2d 901 (W.D. Mich. 2002))

When Exhibit Design Consultants (EDC) terminated the employment of Lisa Holford, the employer did not send her a COBRA Election Notice. EDC's defense was that the employee handbook, which she had previously received, contained sufficient information on COBRA to apprise Holford of her COBRA rights. EDC further argued that its failure to provide an Election Notice was an honest error, based on a misinterpretation of the existing statute.

The Court disagreed. It not only held that EDC was wrong but also that EDC had acted in bad faith in failing to provide Holford an Election Notice. The Court summed up its view of EDC's defense as *"either blatant disregard for the law or extreme recklessness not appropriate to a modern business nor the realities of modern commercial life."*

As a result of not receiving the Election Notice, Holford suffered some harm because she had to forego certain medical treatments that she needed.

Thus, the Court had little trouble in issuing a daily fine of \$55 for 502 days, a total of \$27,610 in fines payable to Holford. EDC was also ordered to pay Holford's attorney fees in the amount of \$23,730.