



# VERDICTSEARCH NATIONAL

## COLORADO

### BREACH OF CONTRACT

#### Employment — Wrongful Termination

## Contractor wrongfully terminated from cleanup job

**VERDICT** \$18,163,382  
**ACTUAL** \$35,800,000

**CASE** Ground Improvement Techniques, Inc.,  
Counterclaim-plaintiff v. Morrison Knudsen  
Corporation d/b/a MK Ferguson Company  
n/k/a Washington Group International, Inc.,  
Counterclaim-defendant,  
No. 95-CV-2510-JLK-BNB

**COURT** U.S. District Court, District of Colorado,  
Denver, CO

**JUDGE** John L. Kane, Jr.  
**DATE** 5/24/2006

**PLAINTIFF**  
**ATTORNEY(S)** Steven R. Schooley (lead), Holland & Knight,  
LLP, Orlando, FL  
Frederick Huff, Law Offices of Frederick Huff,  
Denver, CO

**DEFENSE**  
**ATTORNEY(S)** Daniel R. Frost, Holland & Hart, LLP,  
Denver, CO

**FACTS & ALLEGATIONS** In March 1995, counterclaim plaintiff Ground Improvement Techniques Inc. was hired by Morrison-Knudsen Corp., Boise, Idaho, a federal contractor for the U.S. Department of Energy, for \$9.2 million, to complete the cleanup of an old uranium mill at Slick Rock, Colo., which had provided some of the uranium for the first atomic bombs for the United States. GIT was given until December 1996 to finish the job. In September 1995, Morrison-Knudsen terminated the project. It claimed that GIT failed to perform the work to assure its timely completion. Morrison-Knudsen then sued GIT for breach of contract. GIT counterclaimed for wrongful termination. In 1996, the jury sided with GIT and awarded the company \$5.6 million. Morrison-Knudsen appealed.

GIT argued that it had not run into any delays and was ahead of schedule. Its lawyers contended that, based on Morrison-Knudsen's own records, GIT had completed 41.1% of the work in only 33% of the contract time.

Morrison-Knudsen argued that it was justified in terminating GIT since, based on the work that had been done, it would be unlikely that GIT would finish the project in time.

The appeals court partially reversed and remanded the case to the trial court to be retried on damages only.

**INJURIES/DAMAGES** GIT presented the audited costs that it had incurred for the project and termination, including the costs it had paid to its subcontractors. It claimed damages of more than \$18 million.

Morrison-Knudsen argued that, at most, GIT should be awarded about \$2 million for the remainder of the unpaid contract.

**RESULT** The jury awarded GIT \$18,163,382 in damages. The court also awarded GIT interest, which Judge John L. Kane Jr. set at about 8% per year, for a total of approximately \$20.1 million, bringing the full amount owed to GIT to about \$35.8 million.

**INSURER(S)** Federal Insurance Company

**TRIAL DETAILS** Trial Length: 16 days  
Trial Deliberations: 3 days  
Jury Vote: 12-0

**PLAINTIFF**  
**EXPERT(S)** Jeffrey E. Fuchs, P.E., C.P.A.,  
engineering, Washington, DC

**DEFENSE**  
**EXPERT(S)** Thomas C. Caruso, P.E., engineering,  
Littleton, CO

**POST-TRIAL** After post-judgment motions the interest rate was reduced to 5.09% providing GIT a total award of \$27,160,423.

**EDITOR'S NOTE** Defense counsel did not respond to a faxed draft of this report and two phone calls.

—Michael Hill