

News

Significant Punitive Damages Arising from Employee Termination

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In the last several years, there have been some significant punitive damages awards in employment cases, where the court found that an employer acted in a “callous” or “hardball” manner upon termination. This recently happened in *Pate Estate v. Galway-Cavendish and Harvey (Township)*. A trial judge had awarded \$550,000 against a Township which had acted egregiously in its dismissal of the plaintiff. That amount was reduced to \$450,000 by a majority of the Ontario Court of Appeal because other amounts awarded by the trial judge also had punitive elements to them. Notwithstanding the reduction in the amount, this award of punitive damages is a reminder to employers that they must proceed in good faith with a termination, otherwise substantial liability may result.

The Court of Appeal also unanimously agreed with the trial judge that the Township was liable for malicious prosecution by, in part, withholding exculpatory evidence from police in the course of an investigation that led to charges against the plaintiff and a subsequent criminal trial. At that trial, the plaintiff was acquitted on all charges. Again, this is another reminder to employers to co-operate with police where an investigation against an employee has commenced, and to be aware of legal obligations regarding disclosure of relevant information.

A discussion of this case is found on our Case in Point blog, [“Ontario Court of Appeal Upholds Malicious Prosecution Finding Against Municipality, Reduces Punitive Damages.”](#)