

Baltimore security firm wins insurance coverage dispute

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A Sparks insurance firm must honor the policies it issued to a Baltimore private security firm facing multiple lawsuits for alleged brutality by several employees who are also city police officers, a Baltimore County Circuit Court judge has held.

Insurance Designers of Maryland Inc. sought to void the three policies issued to Millennium Security Consulting Group LLC. It alleged Millennium misrepresented that the Baltimore City Police Department would cover "color of duty" and "police action" claims, according to court documents.

Insurance Designers, which provides insurance for entertainment- related businesses, executed the policies through Capitol Specialty Ltd. and Redland Holdings Group Inc., the two plaintiffs in the declaratory judgment action originally filed in August 2006 in Baltimore City Circuit Court.

The case was moved last year to Baltimore County, where Insurance Designers is located. Judge Susan Souder ruled for Millennium on Sept. 23 following a two-day, non-jury trial.

Adam Thomas Sampson, Millennium's attorney, said the credibility of the firm's founder, city police Lt. John Paradise, played a key role in the judge's decision.

"Mr. Paradise did not make a false representation and was not going to be bullied by the insurance company," said Sampson, of the Reisterstown office of Bodie, Nagle, Dolina, Smith & Hobbs P.A. Paul N. Farquharson, of Semmes, Bowen & Semmes, represented Capitol and Redland. He declined to comment. Calls to Mitchell Paul, vice president and general counsel of Insurance Designers, were not returned.

Redland initially issued a one-year, commercial general liability policy to Millennium for the period covering Aug. 1, 2002 to Aug. 1, 2003, according to court documents. The policy was renewed by Capitol until Aug. 1, 2005, according to court documents.

Millennium employs uniformed city police officers who have been approved by department officials for secondary employment, Sampson said.

Beginning in 2004, Millennium notified its insurers about lawsuits filed against the firm in Baltimore City Circuit Court based on actions by Millennium employees, according to court documents.

The case decided last week in Baltimore County involved only the insurance coverage, not the city lawsuits, Sampson said.

The city lawsuits involved incidents at Power Plant Live! downtown, with former tenants Have A Nice Day Cafe and BAR Baltimore each specifically identified.

City police officer Daymeion Rivera, a Millennium employee at the time of the incidents, is named in all of the lawsuits as a defendant.

Two lawsuits have already been settled -- one for \$19,500 in October 2006 and another for \$17,500 in March 2006, according to court records. Three more lawsuits were stayed pending the outcome of the county insurance case. The multimillion-dollar lawsuits allege battery, false arrest and false imprisonment, among other charges.

Capitol Specialty Ltd., et al v. Millennium Security Consulting Group LLC

Court: Baltimore County Circuit Court

Case No: 03C07000320

Claim: Declaratory relief to rescind judgment finding insurance policies are void, ab initio and rescinded

Proceedings: Non-jury trial

Judge: Susan Souder

Outcome: Defense verdict

Dates: Incident: Insurance policies covered Aug. 1, 2002 to Aug. 1, 2005; Suit filed: Aug. 30, 2006; Disposition: Sept. 23, 2008

Plaintiffs' Attorneys: Paul N. Farquharson and Christopher J. Lyon of Semmes, Bowen & Semmes in Baltimore, John F. Baker II and Mitchell Paul of Insurance Designers of Maryland Inc. in Sparks

Defendant's Attorney: Adam Thomas Sampson of Bodie Nagle, Reisterstown

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