

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

ZURICH AMERICAN
INSURANCE COMPANY,

Plaintiff,

v.

CASE NO. 8:14-cv-775-T-23AAS

STAFFING CONCEPTS
NATIONAL, INC., et al.,

Defendants.

ORDER

Zurich American Insurance Company sues (Doc. 47) seventeen insureds for failing to pay deductibles allegedly due under twenty-one insurance policies. Zurich moves (Doc. 64) for summary judgment, and an August 12, 2016 order (Doc. 119) grants partial summary judgment for Zurich and against the LRA defendants. The August 12 order concludes that the insurance policies required the LRA defendants to reimburse Zurich for the deductibles and that the LRA defendants breached the duty to reimburse.¹ Because Zurich “fails to exclude every genuine issue of fact material to the claim for over \$9 million,” the August 12 order denies summary judgment on damages. (Doc. 119 at 6)

¹ The LRA defendants comprise Leasing Resources of America 2, Inc.; Leasing Resources of America 3, Inc.; Leasing Resources of America 4, Inc.; LRA Global HR, Inc.; and LRA HR Outsourcing, Inc.

The August 12 order withholds adjudication of Zurich's claims against the SCI defendants, which fail to respond to the motion, and against G & S Leasing VI, Inc., which argues that G & S Leasing's current owners incur no liability because G & S Leasing's former owners bought the insurance.² (Doc. 75)

DISCUSSION

1. G & S Leasing

A Zurich policy insured Leasing Resources of America 5, Inc., from March 1, 2011, to March 1, 2012. (Doc. 47-2 at 20, identifying Leasing Resources of America 5, Inc., as a "named insured" to policy WC 4865795-01) A November 2011 amendment changes Leasing Resources of America 5, Inc.'s name to G & S Leasing Group VI, Inc. (Doc. 120-2 at 3)

G & S Leasing owners Marshall Glass and Steven Steinberg, who bought Leasing Resources of America 5, Inc., through a 100% stock purchase in October 2011 (Doc. 78-1 at 1), deny liability for the deductibles because the former owners contracted with Zurich. However, the change in ownership that resulted from Glass and Steinberg's purchase of Leasing Resources of America 5, Inc.'s stock fails to eliminate suddenly the corporation's obligation. *Corp. Express Office Prods., Inc. v. Phillips*, 847 So. 2d 406, 412 (Fla. 2003) ("[A] change in ownership of corporate stock does not affect the corporation's . . . liabilities.") (quoting *Sears Termite & Pest*

² The SCI defendants comprise Staffing Concepts National, Inc.; Venture Resources Group, LLC; SC of Florida II, Inc.; HHG I, Inc.; Accountfirst Insurance Services, Inc.; Platformone USA, Inc.; Staffing Concepts I, Inc.; Staffing Concepts II, Inc.; Staffing Concepts III, Inc.; HR Shared Services, Inc.; and SCI Employer of Choice, Inc.

Control, Inc. v. Arnold, 745 So. 2d 485 (Fla. 1st DCA 1999)). Nor can a name change discharge the corporation's liability. *Corp. Express Office Prods.*, 847 So. 2d at 415. Steinberg's argument that the former owners inaccurately represented the corporation as liability-free to Steinberg might establish a misrepresentation claim against the former owners but fails to absolve G & S Leasing of liability to Zurich.

Also, G & S Leasing adopts (Doc. 85) the LRA defendants' opposition (Doc. 74). For the reasons in the August 12 order, summary judgment is granted in part. Zurich proves that G & S Leasing contracted with Zurich and breached the contract, but Zurich fails to exclude every factual issue as to damages.

2. The SCI Defendants

On August 31, 2015, Zurich served the motion for summary judgment on the SCI defendants. The application of Local Rule 3.01(b) and Rule 6(d), Federal Rules of Civil Procedure, required the SCI defendants to respond by September 17, 2015. More than a year and a month after expiration of the deadline, no response appears.

No later than **DECEMBER 2, 2016**, the SCI defendants must respond. If the SCI defendants fail to respond timely, an order will treat as undisputed the facts marshaled in Zurich's motion for summary judgment.

CONCLUSION

Zurich's motion (Doc. 64) is **GRANTED IN PART**. G & S Leasing owes Zurich deductibles due under an insurance policy, but Zurich fails to exclude every

factual dispute as to damages. The order that resolves Zurich's motion for summary judgment against the SCI defendants will set this action on a trial calendar.

ORDERED in Tampa, Florida, on November 15, 2016.



STEVEN D. MERRYDAY
UNITED STATES DISTRICT JUDGE