

BURG SIMPSON ELDRIDGE HERSH & JARDINE

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**JURY AWARDS \$5.35 MILLION TO COLORADO COMPANY FOR INSURANCE
COMPANY'S BAD FAITH IN WRONGFULLY DENYING PAYMENT ON A
PROPERTY LOSS CLAIM**

DENVER, COLORADO - After a six day jury trial in United States District Court, a jury of ten awarded Burg Simpson client Rapid Funding, LLC \$5.35 million (\$3 million in compensatory damages and \$2.35 million in punitive damages) against James River Insurance Company for Bad Faith Breach of Insurance Contract.

Rapid Funding LLC purchased a \$3 million insurance policy from James River, a Virginia-based insurance company who specializes in insuring vacant and other high risk properties, to cover a vacant apartment complex owned by Rapid Funding in Wyoming, Michigan known as Amsterdam Gardens. Rapid Funding timely paid the insurance premiums. 100 days later, one of the two towers in the complex was burned to the ground by teenagers. Rapid Funding submitted a claim for the total loss of the building under the policy. For several months, James River asserted various reasons why they might deny coverage on the claim. James River ultimately admitted that the claim was a covered loss, but then denied any payment to Rapid Funding, claiming that despite the fact that it had insured the property for \$3 million and taken Rapid Funding's premiums, the property was worth "less than zero" even before it burned down. As a result of the fire, the City ordered the entire complex razed. Rapid Funding, LLC lost its entire investment. James River continued to assert that the apartment complex it agreed to insure for \$3 million was worth "less than zero", even throughout the trial. The jury needed only two hours of deliberation to find that James River's conduct was wilful and wanton bad faith.

"What I love about being a lawyer is that sometimes - not all of the time - but sometimes, you get to be a part of justice being done," said lead trial lawyer, Michael Burg, of Burg Simpson Eldredge Hersh & Jardine, P.C., "this is one of those times."

Rapid Funding, LLC is owned by Andrew Miller (principal in Sevo Miller, LLC) and Doug Pluss, and provides short term loans to sophisticated real estate developers and investors nationwide.

"Juries are fed up with the games being played by big insurance companies and big business in America. People are sick and tired of being promised one thing but being given another," said David TeSelle, of Burg Simpson Eldredge Hersh & Jardine, P.C., trial counsel for Rapid Funding, "what this jury did today was put its foot down and said enough already. Not today. Not in Colorado."

Rapid Funding, LLC was also represented at trial by Thomas W. Henderson of Burg Simpson Eldredge Hersh & Jardine, P.C.

The Honorable Christine M. Arguello presided as the trial judge. James River Insurance Company was represented by Brent Anderson and Kyle Seedorf of Snell & Wilmer, P.C.

Burg Simpson Eldredge Hersh and Jardine, P.C. has its main office in Englewood, Colorado and specializes in a wide range of trial practice areas, including representing consumers and businesses wronged by insurance company bad faith conduct.

Media Contacts:

Michael S. Burg / David K. TeSelle
Burg Simpson Eldredge Hersh & Jardine, P.C.
303-792-5595
mburg@burgsimpson.com
dteselle@burgsimpson.com