

SUMMARY STATEMENT

Thurston Enterprises, Inc., v. Safeguard Business Systems, Inc., Docket No. 45092

The Idaho Supreme Court affirmed a district court judgment that awarded Thurston Enterprises, Inc. (“Thurston”) approximately \$6.8 million in damages that stemmed from Safeguard Business Systems, Inc.’s (“SBS”) alleged breach of its distributorship agreement with Thurston. The dispute arose after SBS acquired two new distributors and allowed them to sell Safeguard products to Thurston’s protected customers. Thurston filed suit and asserted various claims including breach of contract, breach of the implied covenant of good faith and fair dealing, and fraud. The district court ruled as a matter of law that SBS violated Thurston’s account protection rights under the agreement. The remaining claims proceeded to trial where a jury awarded Thurston \$1,625,985 in damages and \$4,750,000 in punitive damages. The district court reduced the punitive damage award to \$4,408,071 to comply with Idaho’s statutory cap and awarded Thurston attorney fees as the prevailing party. SBS filed a motion for judgment notwithstanding the verdict, which the district court denied. In a unanimous decision, the Idaho Supreme Court affirmed the district court’s judgment and awarded Thurston attorney fees and costs on appeal.