

Mason City restaurant owners seek ‘bad faith’ damages in lawsuit

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MASON CITY – The owners of a Mexican restaurant destroyed in a fire in 2007 who were awarded \$236,901 in breach of contract damages from their insurance company by a Cerro Gordo County jury earlier this year are now suing the company for bad faith damages. Eric Updegraff of Stoltze & Updegraff, P.C., of Des Moines, legal counsel for La Casa Martinez owners Ben Villarreal Jr. and Cleo Martinez, said the new lawsuit was filed this week against United Fire & Casualty Company because under Iowa law if an insurance company acts in bad faith in failing to pay policy holders damages they are entitled to, the policy holder can sue again for any damages caused by the delay in receiving the compensation. Villarreal and Martinez didn't receive the amount that covered the damage from the March 2007 fire until March of this year, when a jury returned a verdict in their favor, according to Updegraff. "A four-year delay has an effect on people," he said. The lawsuit states the restaurant owners are seeking "appropriate compensatory damages, appropriate punitive damages, reasonable attorney fees, court costs and such further relief as the court may deem appropriate." United Fire & Casualty Group is based in Cedar Rapids. The land at 400 Fourth St. S.W. where the restaurant once stood is now for sale.