

DISPUTE RESOLUTION

BUSINESS LAW IN PRACTICE

Marie Gagnon, referred to throughout Chapter 3, is the Director of Insurance and Security of Northland Mining Inc., a nickel mining company located in northern Manitoba. She has just returned from a well-deserved holiday in Mexico. For several weeks prior to her holiday, Marie was involved in revising Northland's legal risk management plan using the approach outlined in Chapter 3. The basic elements of the plan are presented in Figure 3.3 on page 58. During Marie's absence, several events occurred that related to Northland's plan. Marie is reviewing the following incident reports:

- **The delinquent customer.** A customer failed to pay its account within the usual 30 days. When Northland investigated, it discovered that the customer was in serious financial difficulty.
 - **The hacking attempt.** An environmental activist group opposed to mining attempted to "hack" into Northland's computer system. Although there was no loss of data, there was some minor damage to Northland's network and it had to be shut down for several hours.
 - **The pollution incident.** A small amount of ash-laden dust from Northland's processing mill was blown onto a neighbouring farmer's land causing some damage to his crops and buildings. The farmer is irate and is threatening to bring legal action. He has told Northland that he intends to contact the media and environmental protection groups to let them know about what has happened to him.
 - **The machine breakdown.** The conveyor belt on the continuous mining machine that cuts ore from the mine walls caught on fire. It will take at least three weeks for it to be fixed. Although Northland has insurance covering its losses, the insurance company is denying coverage.
1. How well does Northland's risk management plan deal with these incidents and how could its performance have improved?
 2. How well does Northland deploy the various methods of dispute resolution in relation to the legal risks that materialized?