

FINRA Rules in Favor of Sheppard Mullin Client Tullett Prebon in Employment Agreement Case

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On July 19, 2017, the Financial Industry Regulatory Authority (FINRA) awarded Sheppard Mullin client Tullett Prebon Financial Services LLC, a subsidiary of TP ICAP plc (formerly known as Tullett Prebon plc) approximately \$2 million in damages and attorneys' fees against its former employee, Andrew Arnold, and Arnold's current employer Bay Crest Partners, LLC.

The case began when Arnold breached the 12-month notice provision in his employment agreement by resigning from his employment at Tullett Prebon and commencing employment at Bay Crest, a direct competitor of Tullett Prebon, three months after his resignation. As a result of Arnold's and Bay Crest's conduct, Tullett Prebon brought claims against Arnold for, among other things, breach of his employment agreement and against Bay Crest for, among other things, tortious interference with Arnold's employment agreement. Thereafter, Arnold filed counterclaims for fraudulent and negligent misrepresentation, violation of the New Jersey Anti-Trust Act, conversion and unfair competition.

Following the three-day arbitration, the panel requested that the parties submit post-hearing briefs in support of certain arguments raised at the hearing. Upon review of the evidence adduced at the arbitration and the parties' post-hearing briefs, the panel allowed Tullett Prebon the opportunity to submit a request for attorneys' fees and costs. On July 19, 2017, the panel awarded Tullett Prebon \$1.4 million in compensatory damages and \$565,000 in attorneys' fees and costs. The panel also dismissed all of Arnold's counterclaims with prejudice.

Stephen Goulet, General Counsel for the Americas of TP ICAP said, "This is the latest example of TP ICAP acting decisively and successfully in the enforcement of its employment agreements and in defense of its legal rights. Over the last three years we have successfully settled or have been awarded almost \$145,000,000 in connection with competitor employee poaching cases and we will not hesitate to bring swift action when necessary to protect our interests."

"We are extremely pleased with the outcome as this was nearly a year-long, hard fought battle on behalf of Tullett Prebon. The Panel's award validates and ensures that the notice and damages provisions found in Tullett Prebon's employment agreements will be strictly enforced, and it sends a strong message to the broker population," commented Sheppard Mullin partner Jonathan Stoler.

The Sheppard Mullin team consisted of New York Labor & Employment partners Jonathan Stoler and Eric Raphan and associates Jonathan Sokolowski and Lindsay Colvin.

About TP ICAP

TP ICAP brings together buyers and sellers in global financial, energy and commodities markets. It is the world's largest wholesale market intermediary, with a portfolio of businesses that provide broking services, data & analytics and market intelligence, trusted by clients around the world. We operate from offices in 31 countries, supporting award-winning brokers with market-leading technology. For further information see www.tpicap.com.

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Practice Areas

Labor and Employment

Labor and Employment Litigation