

FIRM NEWS

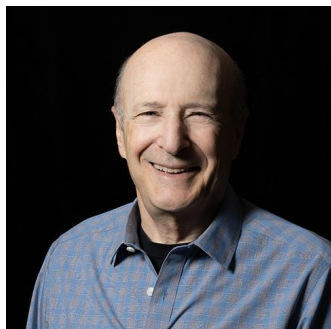
SRZ Secures Major Victory for Tullett as Court Affirms Trade Secret Arbitration Award

November 14, 2013

SRZ litigators prevailed on behalf of interdealer broker Tullett Prebon plc in a three-year, “bet the company” case brought by the company’s rival, BGC Partners. On Nov. 14, 2013, the New York Supreme Court, Appellate Division unanimously affirmed an American Arbitration Association (AAA) award in Tullett’s favor, rejecting every argument that BGC advanced in its case seeking damages for Tullett’s alleged misappropriation of BGC’s trade secrets. BGC first sued Tullett in 2010 and sought approximately \$2 billion in damages. By the time the case came to trial, BGC had reduced its claim to approximately \$250 million. An experienced AAA arbitrator rejected BGC’s arguments and found that the contractual damages provision that BGC relied upon in support of its damages claim was an unenforceable penalty provision. In doing so, the arbitrator awarded BGC a fraction of the damages it had been seeking, limiting recovery to \$800,000 and finding that BGC was not the prevailing party and, therefore, was not entitled to any attorney’s fees. BGC subsequently challenged the arbitrator’s judgment and award. In its decision, the court found that the arbitrator’s judgment to reject BGC’s damages theory was “inescapable” in light of the evidence that SRZ had introduced at trial. The court rejected BGC’s argument for attorney’s fees, finding that BGC’s argument was “flawed” and “does not withstand scrutiny.”

The SRZ team that achieved this victory for Tullett was led by litigation partner Harry S. Davis and included litigation partners Robert M. Abrahams, Taleah E. Jennings and David K. Momborquette and associate Barbara G. Reid.

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