

JANUARY 10, 2020 | NEWS

Broker-Dealer Litigation and Arbitration Practice Achieves Landmark Victory Against Merrill Lynch

SARASOTA, FL – Shumaker, Loop & Kendrick, LLP is pleased to announce that the Broker-Dealer Litigation and Arbitration practice group, managed by Michael S. Taaffe, achieved a landmark victory representing the Claimants in *Smolchek and Ramazio v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, FINRA Case No. 10-04432.

The FINRA arbitration panel awarded Claimants \$10.25 million in damages for Merrill Lynch’s failure to honor the terms of its deferred compensation contracts (FACAAP, Growth Award and Wealthbuilder) with its former financial advisors who left the firm while possessing “Good Reason” after the firm agreed to merge with Bank of America.

The panel awarded Claimants – who were represented at the arbitration by Michael S. Taaffe, Michael D. Bressan and Jarrod J. Malone – \$5.25 million in compensatory damages based upon findings of breach of contract, breach of duty of good faith and fair dealing, breach of fiduciary duty, unjust enrichment, unfair competition, tortious interference with advantageous business relations, defamation, fraud and negligence. The panel also found Merrill Lynch’s conduct in violation of FINRA Rule 2010, which requires Merrill Lynch to “observe high standards of commercial honor and just and equitable principles of trade.” Additionally, the Award levied \$5 million in punitive damages against Merrill Lynch for its deliberate institution of a comprehensive fraudulent scheme to deny Claimants their deferred compensation.

In October 2010, Shumaker’s Sarasota Broker-Dealer Litigation and Arbitration Practice, which is also comprised of Scott A. La Porta, David L. Wyant Jr. and Jeremy M. Halpern, previously won the first case of this kind against Merrill Lynch – *Rumley and Montague v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, FINRA Case No. 09-02428. The Broker-Dealer Litigation and Arbitration Practice currently represents more than 850 former Merrill Lynch financial advisors pursuing similar deferred compensation claims.

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Founded in 1925, Shumaker, Loop & Kendrick, LLP is a full service law firm with over 220 attorneys practicing in Toledo and Columbus, Ohio; Tampa and Sarasota, Florida; and Charlotte, North Carolina.

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