

OCTOBER 28, 2024 | NEWS

Former Ameriprise Financial Advisor Blocked from Poaching Clients

Shumaker Wins Temporary Restraining Order to Stop Ex-Employee from Taking Business

SEATTLE, WASHINGTON—Shumaker has successfully obtained a Temporary Restraining Order (TRO) on behalf of Ameriprise Financial Services, LLC, against former advisor Douglas Kenoyer and his new firm, LPL Financial LLC, to prevent them from soliciting Ameriprise clients and misappropriating confidential information.

The TRO was issued in the United States District Court for the Western District of Washington by Senior Judge Barbara J. Rothstein.

“This court order is a major step in protecting Ameriprise’s business interests and client confidentiality,” said Shumaker Partner and Litigation and Disputes Regional Service Line Leader Michael Taaffe. “Our team successfully argued—and won—because the former employee began attempting to poach clients even before his departure from Ameriprise.”

The TRO follows Ameriprise’s complaint alleging that Kenoyer, who resigned from Ameriprise in September 2024 after nearly two decades of affiliation, improperly solicited clients and took proprietary information in violation of restrictive covenants.

In his role with Ameriprise, Kenoyer had acquired a significant client base through an internal transfer from former Ameriprise franchise owner Jan Gerards. This transfer included over 1,000 clients and more than \$134 million in assets, governed by an agreement prohibiting Kenoyer from divulging or using any confidential client information.

The court’s ruling underscores Ameriprise’s claim that Kenoyer violated both his Franchise Agreement and the Broker Protocol by soliciting clients before formally joining LPL.

Both Ameriprise and LPL participate in the Broker Protocol, which allows financial advisors to take certain client information under specific conditions when transitioning between firms. However, Ameriprise contended that the protocol does not cover clients Kenoyer acquired through the internal transfer from Gerards, nor does it permit pre-termination client solicitation.

In granting the TRO, the court ruled that Ameriprise demonstrated a strong likelihood of success on its claim

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that the Broker Protocol does not shield Kenoyer in this case. The court further recognized the potential for irreparable harm to Ameriprise's business, including loss of reputation and client relationships.

The order mandates that Kenoyer and LPL return all Ameriprise confidential and trade-secret information within 72 hours, prohibiting further solicitation of clients Kenoyer previously served at Ameriprise. Exceptions apply only to those clients who have already moved with Kenoyer to LPL.

Ameriprise is represented by Michael Taaffe, Brandon Taaffe, and James Fanto.