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## GunnAllen told to pay ex-manager

Tampa brokerage GunnAllen Financial and the national sales manager it fired over allegations of sexual misconduct three years ago both are claiming victory after a recent arbitration ruling.

Arbitrators for the Financial Industry Regulatory Authority ordered GunnAllen to pay former sales manager David McCoy \$333,000 for compensatory damages for "intentional and malicious" breach of contract and for termination for a wrongful reason.

GunnAllen maintains that McCoy "engaged in extremely inappropriate conduct involving activities of a sexual nature at the GunnAllen offices," said Tampa lawyer William Schifino Jr., who represented the company. McCoy's New York lawyer, **Richard Roth**, says GunnAllen offered a female employee money to file a complaint against McCoy, but she refused.

"The panel never believed Dave did anything wrong," **Roth** said. The panel ordered GunnAllen to shoulder the costs of the arbitration, which involved 20 days of courtlike hearings, and to reimburse McCoy for \$54,428 in costs incurred.

But the award was a whole lot less than the \$34-million McCoy had requested. In fact, GunnAllen said it offered to settle the case years ago for more than McCoy received through arbitration. "We are ecstatic with the award," Schifino said. He said the company plans to bring a court action to confirm the arbitration decision and ask for an award of attorney's fees against McCoy based on his claims arbitrators rejected, including allegations of fraud.

The panel settled a stock dispute by ruling McCoy is obligated to sell 200,000 shares of GunnAllen stock back to the private company for \$150,000, but he can keep 200,000 shares and options for 400,000 more shares. At one time McCoy claimed his shares were worth \$12-million. The panel also said McCoy has to repay a GunnAllen loan of \$182,407 but doesn't have to reimburse the company for \$40,332 in business expenses charged to the company's American Express card.

McCoy now works in New York as national sales director for National Securities. Arbitration is commonly used to settle disputes between brokerages and employees or investors.

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