

# The Roth Law Firm, PLLC

**FOR IMMEDIATE RELEASE**

## **FINRA ARBITRATION PANEL AWARDS “RAIDED” BROKERAGE FIRM \$1.3 MILLION**

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New York, NY -- March 25, 2008 -- After a highly contested litigation over the course of twenty-five days, a FINRA arbitration panel awarded Burlington Capital Markets, Inc. ("Burlington"), a former NASD member firm, \$1.3 million in compensatory damages in its lawsuit against GFI Securities, LLC ("GFI"), a registered FINRA member firm. The lawsuit stemmed from GFI's alleged raiding of seven of Burlington's brokers in April 2004, after commencing extensive due diligence as part of a contemplated acquisition of Burlington over a year earlier (September 2002).

At the hearing, GFI contended that it could not possibly be held liable because the non-solicitation period following the contemplated acquisition had expired prior to any solicitation and hiring of Burlington employees. It further argued that the employees were free to leave at any time because none of the poached employees had ever executed any form of non-compete agreement and, indeed, several of the seven were not even Burlington employees during the due diligence period. GFI also contended that the few brokers who were taken constituted merely a fraction of Burlington's then eighty person firm.

Burlington's attorney, Richard A. Roth of The Roth Law Firm, PLLC, stated: "the panel obviously found that GFI Securities' taking of certain key brokers, even in the absence of an agreement, was simply inappropriate." Roth continued, "I believe the panel wanted to send a clear message to the brokerage community that it is unfair to compete by taking a handful of brokers where you have confidential information of your competitor, even if the brokers are free to leave at any time."

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