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STONE KEY GROUP, LLC *v.* REID TARADASH  
(AC 42524)

Lavine, Elgo and Alexander, Js.\*

## *Syllabus*

The plaintiff banking firm sought to recover damages from the defendant, a former employee of the plaintiff, for, *inter alia*, breach of contract in connection with bonus agreements between the parties. The plaintiff, which had paid annual discretionary bonuses to its employees, was unable to pay the plaintiff his 2014 bonus until 2016 because of financial difficulties. When the defendant shortly thereafter requested his bonus for 2015, U, the plaintiff's chief executive officer, told him that the plaintiff was not paying 2015 bonuses at that time because it had just paid 2014 bonuses. The defendant thereafter told U that, in exchange for the 2015 bonus, he would bring his family to the United States from the Philippines, buy a home in Connecticut and redouble his efforts at the plaintiff's firm. Pursuant to written agreements the parties executed, U agreed to pay the defendant an advance on the 2015 bonus and an additional payment at a later date. Six days after receiving the advance on the 2015 bonus, the defendant informed U that he was resigning and moving to the Philippines. On his last day of employment, the defendant returned to the plaintiff a laptop computer that the plaintiff had provided to him. U thereafter discovered on the laptop emails from the defendant to friends and coworkers indicating that he had been preparing to start an information technology business in the Philippines upon receipt of the 2015 bonus. U concluded that the defendant had used the plaintiff's resources to develop that business. The plaintiff thereafter sought repayment of the 2014 bonus and the 2015 bonus advance. The trial court rendered judgment for the plaintiff on its complaint in part and thereafter granted in part the plaintiff's motion for attorney's fees. On the defendant's appeal and the plaintiff's cross appeal to this court, *held* that the trial court properly rendered judgment for the plaintiff and granted its motion for attorney's fees, and, because the court's memoranda of decision fully addressed the arguments raised in this appeal, this court adopted the trial court's memoranda of decision as proper statements of the facts and applicable law.

Argued September 17, 2020—officially released April 20, 2021

### *Procedural History*

Action to recover damages for, *inter alia*, breach of contract, and for other relief, brought to the Superior Court in the judicial district of Stamford-Norwalk, where the defendant filed a counterclaim; thereafter, the court, *Lee, J.*, granted the defendant's motion to cite in Stone Key Securities, LLC, et al., as counterclaim defendants; subsequently, the case was tried to the court; thereafter, the complaint was withdrawn in part; judgment for the plaintiff on the complaint in part and on the counterclaim, from which the named defendant appealed to this court; subsequently, the court, *Lee, J.*, granted in part the plaintiff's motion for attorney's fees, and the named defendant filed an amended appeal and the plaintiff cross appealed to this court. *Affirmed.*

*James Nealon*, for the appellant-cross appellee (defendant).

*Daniel L. Schwartz*, with whom, on the brief, was *Howard Fetner*, for the appellee-cross appellant (plaintiff).

76 PER CURIAM. This case involves a dispute between  
77 the plaintiff employer, Stone Key Group, LLC, and the  
78 defendant employee, Reid Taradash, concerning the  
79 payment of two discretionary bonus agreements to the  
80 defendant. On appeal, the defendant claims that the  
81 trial court improperly (1) ruled in favor of the plaintiff  
82 on his wage claim pursuant to General Statutes § 31-72,<sup>1</sup>  
83 (2) concluded that he fraudulently induced the plaintiff  
84 into paying an advance on his 2015 bonus, (3) permitted  
85 the plaintiff to rescind that advance, (4) awarded the  
86 plaintiff punitive damages, and (5) assessed postjudg-  
87 ment interest. In its cross appeal, the plaintiff claims  
88 that the court improperly (1) rejected its claim that the  
89 defendant breached the terms of an agreement regard-  
90 ing his 2014 bonus, (2) denied its motion for prejudg-  
91 ment interest, and (3) failed to award the full amount  
92 of its requested attorney's fees and costs. We affirm  
93 the judgment of the trial court.

94 The plaintiff is a private merchant banking firm in  
95 Greenwich. At all relevant times, the defendant, who  
96 now resides in the Philippines, was an employee of the  
97 plaintiff. As part of its benefits package, the plaintiff  
98 paid large, annual discretionary bonuses to its employ-  
99 ees. Beginning in 2010, the plaintiff required its employ-  
100 ees to sign contracts in order to receive those annual  
101 bonuses. The amount of each bonus was left to the  
102 discretion of the plaintiff on the basis of (1) an individ-  
103 ual employee's performance, (2) the plaintiff's perfor-  
104 mance overall, (3) macroeconomic conditions, (4) the  
105 plaintiff's anticipated future revenues, and (5) bonuses  
106 paid by other competing investment banks.

107 From 2012 to 2014, the plaintiff suffered significant  
108 financial difficulties.<sup>2</sup> As a result, the defendant did not  
109 receive a bonus for the 2013 year until December 23,  
110 2014, as memorialized in a contract titled "Revised 2013  
111 Bonus Terms" (2013 bonus agreement). The 2013 bonus  
112 agreement contained a "clawback provision" that allowed  
113 the plaintiff to recover all or part of future annual bonuses  
114 for a specific year if an employee engaged in certain wrong-  
115 ful conduct specified therein.

116 The plaintiff did not pay any 2014 bonuses to its  
117 employees until the first quarter of 2016. On February  
118 29, 2016, the defendant signed two documents. The first  
119 was titled "2014 Bonus Terms—Reid M. Taradash," and  
120 the second was titled "2014 Grant of Bonus Agreement"  
121 (2014 bonus agreement). The defendant subsequently  
122 received payment of his 2014 bonus in the amount of  
123 \$524,999.92. The 2014 bonus agreement contained a  
124 clawback provision that allowed the plaintiff to recover  
125 100 percent of the bonus it paid the defendant in the  
126 event that the defendant's employment was terminated  
127 "for cause."<sup>3</sup>

128 Shortly after receiving his 2014 bonus, the defendant

129 asked the plaintiff's chief executive officer, Michael  
130 Urfirer, for a 2015 bonus. Urfirer replied that the plain-  
131 tiff was not paying 2015 bonuses at that time because  
132 it had just paid 2014 bonuses. Urfirer and the defendant  
133 later had a second discussion about paying the defen-  
134 dant a 2015 bonus, during which the defendant told  
135 Urfirer that, in exchange for a 2015 bonus, he would  
136 bring his family to the United States from the Philip-  
137 pines, buy a home in Connecticut, and redouble his  
138 efforts at the firm.<sup>4</sup> The evidence presented at trial none-  
139 theless revealed, as he stated in multiple emails to his  
140 friends and coworkers, that the defendant was prepar-  
141 ing to move to the Philippines to start an information  
142 technology business with a coworker, Sumit Laddha,  
143 upon receipt of his 2015 bonus.

144 Urfirer ultimately agreed to pay the defendant a  
145 \$250,000 advance on his 2015 bonus subject to the claw-  
146 back provision, as well as an additional payment of at  
147 least \$250,000 at a later date. As part of that transaction,  
148 the plaintiff and the defendant signed two documents  
149 on March 14, 2016: the "2015 Bonus Advance Terms—  
150 Reid M. Taradash" and the "2015 Grant of Bonus  
151 Advance Agreement" (2015 bonus advance agreement).  
152 The defendant was the only employee who received a  
153 2015 bonus advance in March, 2016.

154 On March 21, 2016, six days after receiving the advance  
155 on his 2015 bonus, the defendant informed Urfirer that  
156 he was resigning and moving to the Philippines. In  
157 response, Urfirer told the defendant that he believed  
158 that the defendant had procured the bonuses under  
159 false pretenses and demanded that the defendant either  
160 return the bonuses or retract his resignation. The defen-  
161 dant did neither and relocated to the Philippines.

162 On his last day of employment, the defendant returned  
163 his employer provided laptop to the plaintiff. When Urfirer  
164 later used the laptop during a client presentation, the  
165 defendant's Google email account appeared onscreen.  
166 At that time, Urfirer discovered many of the defendant's  
167 emails related to his new information technology busi-  
168 ness and concluded that the defendant had used the  
169 plaintiff's resources to develop that business. As a  
170 result, the plaintiff's legal counsel sent the defendant  
171 a letter notifying him that the plaintiff had reviewed his  
172 emails and demanding that he repay the 2014 bonus  
173 and 2015 bonus advance in full. When the defendant  
174 did not respond, Urfirer sent him a letter on September  
175 12, 2016, in which he retroactively terminated the defen-  
176 dant's employment for cause.

177 On September 26, 2016, the plaintiff commenced the  
178 present action. The complaint alleged, *inter alia*, (1)  
179 breach of contract with respect to the 2014 bonus agree-  
180 ment and 2015 bonus advance agreement, (2) fraudulent  
181 inducement with respect to the 2015 bonus advance,  
182 (3) intentional misrepresentation, (4) negligent misrep-  
183 resentation, (5) breach of fiduciary duty, (6) conversion,

184 and (7) a violation of the Connecticut Unfair Trade  
185 Practices Act, General Statutes § 42-110a et seq. The  
186 defendant filed an answer denying the material allegations  
187 of the complaint, along with six special defenses  
188 and a thirteen count counterclaim.

189 An eight day court trial was held from December 12,  
190 2017, to January 19, 2018. The court thereafter issued  
191 a comprehensive memorandum of decision on November  
192 2, 2018, in which it set forth detailed findings of  
193 fact and a thorough analysis of the claims brought by  
194 the plaintiff and the defendant. On July 25, 2019, the  
195 court issued a second memorandum of decision in  
196 which it addressed the plaintiff's subsequent motion  
197 for attorney's fees, costs, and interest.<sup>5</sup> Our examination  
198 of the record on appeal, and the briefs and oral arguments  
199 of the parties, persuades us that the judgment  
200 of the trial court should be affirmed. Because the court's  
201 memoranda of decision fully address the arguments  
202 raised in the present appeal, we adopt the court's thorough  
203 and well reasoned decisions as proper statements  
204 of the facts and applicable law. See *Stone Key Group,*  
205 *LLC v. Taradash*, Superior Court, judicial district of  
206 Stamford-Norwalk, Docket No. CV-16-6029872-S (November  
207 2, 2018) (reprinted at 204 Conn. App. 61, 328 A.3d  
208 167). It would serve no useful purpose for us to repeat  
209 the discussion contained therein. See, e.g., *Woodruff v.*  
210 *Hemingway*, 297 Conn. 317, 321, 2 A.3d 857 (2010);  
211 *Maselli v. Regional School District No. 10*, 198 Conn.  
212 App. 643, 647-48, 235 A.3d 599, cert. denied, 335 Conn.  
213 947, 238 A.3d 19 (2020).

214 The judgment is affirmed.

215 \* The listing of judges reflects their seniority status on this court as of  
216 the date of oral argument.

217 <sup>1</sup> General Statutes § 31-72 provides in relevant part: "When any employer  
218 fails to pay an employee wages . . . or fails to compensate an employee  
219 . . . such employee . . . shall recover, in a civil action, (1) twice the full  
220 amount of such wages, with costs and such reasonable attorney's fees as  
221 may be allowed by the court, or (2) if the employer establishes that the  
222 employer had a good faith belief that the underpayment of wages was in  
223 compliance with law, the full amount of such wages or compensation,  
224 with costs and such reasonable attorney's fees as may be allowed by the  
225 court . . . ."

226 <sup>2</sup> Specifically, in 2012, the plaintiff expected to earn \$20 million but earned  
227 slightly more than \$6 million. In 2013, the plaintiff's earnings were approximately  
228 \$350,000, resulting in a loss of more than \$11 million. In 2014, the  
229 plaintiff earned \$3.5 million in revenue, resulting in a \$3.3 million loss for  
230 the year.

231 <sup>3</sup> The 2014 bonus agreement defined "cause" as either (1) a "violation of  
232 a material policy of the [plaintiff]," (2) the "engagement in a dishonest or  
233 wrongful act involving fraud, misrepresentation or moral turpitude causing  
234 damage or potential damage [to the plaintiff]," (3) the "willful failure to  
235 perform a substantial part of [the defendant's] duties," (4) the engagement  
236 in "any conduct . . . which violates any federal or state securities law," or  
237 (5) "being materially deficient in . . . compliance or employment obligations  
238 to the [plaintiff]."

239 <sup>4</sup> Although the defendant at trial denied making these promises to Urfirer,  
240 the court did not credit his denials and expressly credited Urfirer's contrary  
241 recollection of that conversation.

242 <sup>5</sup> See *Stone Key Group, LLC v. Taradash*, Superior Court, judicial district  
243 of Stamford-Norwalk, Docket No. CV-16-6029872-S (July 25, 2019).