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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).

PER CURIAM. This case involves a dispute between the plaintiff employer, Stone Key Group, LLC, and the defendant employee, Reid Taradash, concerning the payment of two discretionary bonus agreements to the defendant. On appeal, the defendant claims that the trial court improperly (1) ruled in favor of the plaintiff on his wage claim pursuant to General Statutes § 31-72,¹ (2) concluded that he fraudulently induced the plaintiff into paying an advance on his 2015 bonus, (3) permitted the plaintiff to rescind that advance, (4) awarded the plaintiff punitive damages, and (5) assessed postjudgment interest. In its cross appeal, the plaintiff claims that the court improperly (1) rejected its claim that the defendant breached the terms of an agreement regarding his 2014 bonus, (2) denied its motion for prejudgment interest, and (3) failed to award the full amount of its requested attorney's fees and costs. We affirm the judgment of the trial court.

The plaintiff is a private merchant banking firm in Greenwich. At all relevant times, the defendant, who now resides in the Philippines, was an employee of the plaintiff. As part of its benefits package, the plaintiff paid large, annual discretionary bonuses to its employees. Beginning in 2010, the plaintiff required its employees to sign contracts in order to receive those annual bonuses. The amount of each bonus was left to the discretion of the plaintiff on the basis of (1) an individual employee's performance, (2) the plaintiff's performance overall, (3) macroeconomic conditions, (4) the plaintiff's anticipated future revenues, and (5) bonuses paid by other competing investment banks.

From 2012 to 2014, the plaintiff suffered significant financial difficulties.² As a result, the defendant did not receive a bonus for the 2013 year until December 23, 2014, as memorialized in a contract titled "Revised 2013 Bonus Terms" (2013 bonus agreement). The 2013 bonus agreement contained a "clawback provision" that allowed the plaintiff to recover all or part of future annual bonuses for a specific year if an employee engaged in certain wrongful conduct specified therein.

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

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.⁴ 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 allega-
187 tions 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 Novem-
192 ber 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.⁵ Our examination
198 of the record on appeal, and the briefs and oral argu-
199 ments 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 thor-
203 ough 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 (Novem-
207 ber 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.

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

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

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

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

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

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